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SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 1

WEDNESDAY, MAY 6, 1942
WEDNESDAY, MAY 13, 1942

Statement by Honourable J. T. Thorson, Minister of National War
Services

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

ORDERS OF REFERENCE

HOUSE OF COMMONS

FRIDAY, March 13, 1942.

Resolved,—That a Select Committee be appointed on radio broadcasting to consider the annual report of the Canadian Broadcasting Corporation and to review the policies and aims of the Corporation and its regulations, revenues, expenditures and development, with power to examine and inquire into the matters and things herein referred to and to report from time to time their observations and opinions thereon, and to send for persons, papers and records; and that the said committee shall consist of the following members: Bence, Bertrand (*Laurier*), Casselman (*Edmonton East*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemont*), Graydon, Hanson (*Skeena*), Hazen, Homuth, Howe, Isnor, Kuhl, Laflamme, McCann, Mullins, Rennie, Slaght, Telford, Thorson, Tripp and Veniot; and that the presence of at least nine members shall be a quorum of the said committee and that Standing Order 65 be suspended in relation thereto.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

THURSDAY, March 19, 1942.

Resolved,—That the name of Mr. Ross (*St. Paul's*) be substituted for that of Mr. Bence on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

WEDNESDAY, May 6, 1942.

Ordered,—That the name of Mr. Hansell be substituted for that of Mr. Kuhl on the said Committee.

Ordered,—That the said Committee be given permission to print, from day to day, 500 copies in English and 200 copies in French, of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

Ordered,—That the said Committee be empowered to sit while the House is sitting.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORTS TO THE HOUSE

WEDNESDAY, May 6, 1942.

The Special Committee on Radio Broadcasting begs leave to present the following as its

FIRST REPORT

Your Committee recommends that it be given permission to print, from day to day, 500 copies in English and 200 copies in French, of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

Your Committee also recommends that it be empowered to sit while the House is sitting.

All of which is respectfully submitted.

J. J. McCANN,
Chairman.

(This report was concurred in on May 6, 1942.)

MINUTES OF PROCEEDINGS

ROOM 429, WEDNESDAY, MAY 6, 1942.

The Special Committee on Radio Broadcasting met this day at 11 o'clock, in Room 429.

Members present: Messrs. Bertrand (*Laurier*), Mrs. Casselman (*Edmonton East*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemont*), Graydon, Hansell, Hanson (*Skeena*), Laflamme, McCann, Mullins, Rennie, Ross (*St. Paul's*), Slaght, Telford, Thorson, Tripp and Veniot.—19.

In attendance: Mr. Justice T. C. Davis, Associate Deputy Minister, National War Services, Ottawa, Ontario.

There being a quorum, the Clerk proceeded to the election of a chairman.

On motion of Mr. Slaght, seconded by Mr. Hanson (*Skeena*), Dr. McCann was unanimously elected chairman.

Dr. McCann thanked most heartily the members of the Committee for having chosen him to preside over this important Committee. He hoped and was confident that the Committee would discharge its duties expeditiously and harmoniously.

The Clerk read the Orders of Reference dated March 13 and March 19, 1942.

Having regard to the conduct of the business, Mr. Graydon voiced the opinion that the fullest possible information should be made available to the Committee. He hoped the members would have an opportunity to inquire into the annual reports of the Corporation. He also thought that the financial administration, the extracts, as well as the report of the late Mr. Allan B. Plaunt, should be investigated. He held the view that the Minutes of the Canadian Broadcasting Corporation should be at the disposal of the Committee.

Mr. Slaght also felt that the members should have access to the Minutes of the Corporation.

After discussion, it was agreed that the Minister of National War Services, Mr. Thorson, would make a statement at the next meeting respecting the aims, policies and activities of the Canadian Broadcasting Corporation.

On motion of Mr. Hanson (*Skeena*), seconded by Mr. Coldwell:

Resolved: That the Committee ask permission to print, from day to day, 500 copies in English and 200 copies in French, of its minutes of proceedings and evidence, and that Standing Order 64 be suspended in relation thereto.

On motion of Mr. Hanson (*Skeena*), seconded by Mr. Coldwell:

Resolved: That the Committee be empowered to sit while the House is sitting.

On the suggestion of the Chairman, the Committee instituted the following Agenda Committee: Messrs. Claxton, Fournier (*Maisonneuve-Rosemont*), Coldwell, Graydon, Hanson (*Skeena*), Isnor, Mrs. Casselman (*Edmonton East*), Hansell and the Chairman: This Subcommittee decided to hold their first meeting on Thursday, May 7 at 2 o'clock.

On motion of Mr. Bertrand (*Laurier*), seconded by Mr. Mullins, the Committee adjourned until Tuesday, May 12, at 11 o'clock, in Room 429.

ANTONIO PLOUFFE,

Clerk of the Committee.

Room 429, WEDNESDAY, May 13, 1942

The Special Committee on Radio Broadcasting met this day in Room 429, at 10.30 o'clock. Dr. McCann, the Chairman, presided.

Members present: Messrs. Bertrand (*Laurier*), Mrs. Casselman (*Edmonton East*), Claxton, Coldwell, Fournier (*Maisonnette-Rosemont*), Graydon, Hanson (*Skeena*), Hazen, Homuth, Howe, Isnor, Hamsell, Laflamme, McCann, Mullins, Rennie, Ross (*St. Paul's*), Slaughter, Telford, Thorson, Tripp and Veniot. (20).

In attendance:

From the *Canadian Broadcasting Corporation*: M. René Morin, Chairman, Montreal, Que.; Major W. E. Gladstone Murray, General Manager; Dr. Augustin Frigon, Assistant General Manager; Mr. Donald Manson, Chief Executive Assistant; Mr. E. L. Bushnell, General Supervisor of Programmes; Mr. J. R. Radford, Supervisor of Station Relations; Mr. E. A. Weir, Commercial Manager; Miss V. B. Belcourt, Public Relations Officer; Mr. W. H. Brodie, Supervisor of Broadcast Language; Captain W. O. Findlay, Executive Assistant.

From the *National War Services*: Mr. Justice T. C. Davis.

The Chairman tabled the following list showing the present personnel of the Board of Governors of the Canadian Broadcasting Corporation: M. René Morin, Chairman, Montreal, Que.; Mr. N. L. Nathanson, Toronto, Ont.; Mr. J. Wilfrid Godfrey, K.C., Halifax, N.S.; M. Adrien Pouliot, Quebec, Que.; Rev. Canon W. Eastland Fuller, Saskatoon, Sask.; Mrs. Nellie L. McClung, Victoria, B.C.; Rev. James S. Thomson, M.A., D.D., Saskatoon, Sask.; Mr. R. Rowe Holland, Vancouver, B.C.; Mr. E. H. Charleson, Ottawa, Ont.

The Chairman presented the report of the Agenda Committee and the procedure outlined therein was agreed to

The Minister of National War Services, Mr. Thorson, made a statement respecting the Canadian Radio Corporation and answered questions.

Because licensing comes under the jurisdiction of the Minister of Munitions and Supply, Messrs. Coldwell and Graydon suggested that Mr. C. D. Howe should make a statement in that respect.

At the request of Mr. Hansell, copies of By-laws and Regulations of the Canadian Broadcasting Act, 1936, as amended, to which Mr. Thorson referred in his statement, were made available to the members of the Committee.

A discussion took place with regard to the release of certain announcements emanating from various government departments and the methods by which time is allowed. The committee also discussed the functions of the Interdepartmental Committee in matters of publicity.

It was agreed that M. René Morin, Chairman of the Canadian Radio Broadcasting Corporation, would give evidence at the next meeting of the Committee.

The Committee adjourned at 1.15 o'clock until Thursday, May 14, at 11 o'clock, in Room 429, when the Committee agreed to sit until 1.30 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

MAY 13, 1942.

The Select Committee on Radio Broadcasting met at 10.30 o'clock. The Chairman, Mr. James J. McCann, presided.

The CHAIRMAN: Ladies and gentlemen, if you will come to order we shall proceed with the meeting. For the information of the committee I wish to place on the record the names of the members of the Board of Governors of the Canadian Broadcasting Corporation. They are as follow:

Rene Morin, Esq., Chairman; N. L. Nathanson, Esq., Vice-Chairman; J. Wilfrid Godfrey, Esq., K.C.; M. Adrien Pouliot; Rev. Canon W. Eastland Fuller; Mrs. Nellie L. McClung; Rev. James S. Thomson, M.A., D.D.; R. Rowe Holland, Esq., E. H. Charleson, Esq.

The report of the Agenda Committee is as follows:—

The Agenda Committee of the Special Committee on Radio Broadcasting appointed at the first meeting composed of Messrs. Claxton, Fournier (*Maison-neuve-Rosemont*), Coldwell, Graydon, Hanson (*Skeena*), Isnor, Mrs. Casselman (*Edmonton-East*), Hansell and the Chairman met this day and presents the following as its first report.

Members present: Messrs. McCann, Coldwell, Hanson (*Skeena*), Graydon, Mrs. Casselman (*Edmonton-East*) and Claxton. (6).

The Agenda Committee agreed on the following procedure and it so recommends to the main committee:

1. The Minister of National War Services, Mr. Thorson, will make a general statement on the activities of the Radio Corporation at the next meeting on Tuesday, May 12, 1942.
2. The Committee will then hear the Chairman of the C.B.C., Mr. Morin; the General Manager, Mr. Murray; Dr. Frigon, Assistant General Manager and Mr. Manson, Assistant to the Chief Executive.

The Agenda Committee feels that once the above-mentioned witnesses are examined, the committee could be guided by the wishes expressed by its members at the subsequent meeting.

We shall follow that outline as given in the report if it is agreeable to you and proceed with the statement from the Minister, Mr. Thorson.

Hon. Mr. THORSON: Mr. Chairman, Mrs. Casselman and gentlemen, I might perhaps make an introductory statement with regard to certain operations of the Canadian Broadcasting Corporation. I should like, however, to stress at the very outset that the Canadian Broadcasting Corporation is not a department of the government. It is an independent corporation, operating under the governing statute, the Canadian Broadcasting Act of 1936. The responsibilities of the Minister are statutory responsibilities and are exercised only in accordance with the provisions of the statute. The management of the corporation is, therefore, independent within the terms of the statute.

I have here a statement that I should like to place on the record in the hope that it may be of assistance to members of the committee. First of all, I should like to say something by way of historical introduction.

Historical Introduction:

Public service broadcasting in Canada was introduced in 1932 in the form of the Canadian Radio Broadcasting Commission. Experience of the operation of the commission in the light of the report of the Royal Commission on Radio Broadcasting, 1929, as examined by a parliamentary committee in 1936, resulted in an extension and consolidation of the public service principle. This took the form of the Canadian Broadcasting Corporation, which was created by statute, The Canadian Broadcasting Act, 1936, and which took over from the Canadian Radio Broadcasting Commission on November 2, 1936. As set out in the Act, 3 (1) "There shall be a Corporation which shall consist of a board of nine governors appointed by the Governor in Council and chosen to give representation to the principal geographical divisions of Canada".

In effect, the Canadian Broadcasting Corporation was entrusted with two main tasks—(1) the creation and development of a national broadcasting service in Canada and (2) the regulation of all broadcasting in Canada.

On the model of the British Broadcasting Corporation, the Canadian Broadcasting Corporation was to operate in no sense as a government department. The Canadian Broadcasting Corporation was to assume responsibility for its policies and aims, subject only to the statutory safeguards of the national interest. Similarly, the Canadian Broadcasting Corporation was expected to finance its operations out of the proceeds of licence revenue, supplemented by the proceeds of its own commercial operations.

From November 2, 1936, to June 11, 1941, the spokesman for the Canadian Broadcasting Corporation in the House of Commons was the Minister of Transport, afterwards Minister of Munitions and Supply. Since June 11, 1941, the spokesman has been the Minister of National War Services.

Ministerial responsibility as set out in the statute in connection with the Canadian Broadcasting Corporation is divided as between the Minister of National War Services on the one hand and the Minister of Munitions and Supply on the other. I should like to outline how this division of ministerial responsibility came about, and from that statement the reasons for the division of the responsibility will be apparent.

The Radio Act, 1938 (formerly the Radio Telegraph Act) provides for the licensing and control of all classes of radio stations, including broadcasting stations, with certain powers being vested by that statute in the Minister of Transport.

Under the provisions of section 2 (d) of The Canadian Broadcasting Act, 1936, the term "Minister" means the Minister of Transport. So that originally the Minister of Transport exercised certain powers under the Radio Act of 1938 and also under The Canadian Broadcasting Act of 1936.

By order in council P.C. 3076, dated July 8, 1940, appendix A, the duties, powers and functions vested in the Minister of Transport with respect to broadcasting under the provisions of The Canadian Broadcasting Act were transferred to the Minister of Munitions and Supply.

By order in council P.C. 3435 of July 25, 1940, the duties, powers and functions vested in the Minister of Transport under The Radio Act, 1938, were included in the duties, powers and functions which were transferred by order in council P.C. 3076 to the Minister of Munitions and Supply. So that there were two separate orders in council.

Then by order in council P.C. 4215, dated June 11, 1941, appendix B, the Governor General in Council ordered, *inter alia*—

1. The powers, duties and functions vested (by order in council P.C. 3076, 8th July, 1940) in the Minister of Munitions and Supply, under The Canadian Broadcasting Act, 1936, with respect to broadcasting, are hereby transferred to the Minister of National War Services.

Mr. GRAYDON: What is the number of that order in council?

Hon. Mr. THORSON: The number of that order in council is P.C. 4215 dated June 11, 1941. That transferred to the Minister of National War Services the same powers as those which had been transferred to the Minister of Munitions and Supply under the provisions of order in council P.C. 3076.

Then by order in council P.C. 4217, dated June 11, 1941, the Honourable J. T. Thorson was appointed Minister of National War Services *vice* Honourable J. G. Gardiner, resigned.

It follows from the above that the powers that were vested in the Minister of Transport under The Radio Act, 1938, and then transferred to the Minister of Munitions and Supply under order in council P.C. 3435, of July 25, 1940, remain with the Minister of Munitions and Supply.

Consequently the definition of the term "Minister" in section 2 (d) of the Canadian Broadcasting Act, 1936, now refers to the Minister of National War Services, except in respect of the powers that still remain with the Minister of Munitions and Supply under the Radio Act, 1938, and order in council P.C. 3435 of July 25, 1940, which were not transferred to the Minister of National War Services by order in council P.C. 4215 of June 11, 1941. It may therefore generally be said that the definition of the term "Minister" in section 2 (d) of the Canadian Broadcasting Act, 1936, now refers to the Minister of National War Services in respect to broadcasting, and to the Minister of Munitions and Supply in respect to licensing. The latter minister continues to be the radio licensing authority.

Mr. GRAYDON: That is, the Minister of Munitions and Supply?

Hon. Mr. THORSON: Yes.

The following are therefore the responsibilities of each minister as set forth in the Canadian Broadcasting Act, 1936:

1. Statutory Responsibilities of the Minister of National War Services. And I have set out in the statement first the statutory responsibilities of the Minister of National War Services, and then the statutory responsibilities of the Minister of Munitions and Supply. I thought it might be useful to have those two sets of responsibilities set forth in the record.

First of all, the statutory responsibilities of the Minister of National War Services.

The following sections of the Canadian Broadcasting Act, 1936, indicate the responsibilities of the Minister of National War Services.

Now, I have in this statement the provisions of the statute set out, and perhaps it might be helpful to the committee if I read them rather than merely put them on the record, because it will perhaps assist the committee if I do so.

Section 3 (1): There shall be a corporation to be known as the Canadian Broadcasting Corporation which shall consist of a board of nine governors appointed by the governor in council and chosen to give representation to the principal geographical divisions of Canada.

In connection with that it will be the Minister of National War Services who will make recommendations to council with regard to the appointment of members of the board of governors.

(2) The governor in council shall designate one of the governors to be the chairman and one to be the vice-chairman of the corporation.

(5) Each governor shall hold office during good behaviour for the period of his appointment, but may be removed for cause at any time by the governor in council.

(6) In the event of a casual vacancy occurring on the board, the governor in council shall appoint a person to fill such vacancy for the balance of the term of the governor replaced.

So that the appointment of members of the board of governors is by order in council.

Section 6: There shall be a general manager who shall be chief executive of the corporation and who shall be appointed by the governor in council on the recommendation of the corporation.

Section 7: There shall be an assistant general manager of the corporation who shall be appointed by the governor in council on the recommendation of the corporation.

Section 8: The corporation shall carry on a national broadcasting service within the Dominion of Canada and for that purpose may—

Then, the statute sets out a number of matters which are within the power of the corporation. But there are two that touch the matter of governmental responsibility.

- (b) establish, subject to approval of the governor in council, such stations as the corporation may from time to time consider necessary to give effect to the provisions of this Act.
- (n) acquire private stations either by lease or subject to the approval of the governor in council by purchase.

Section 9: The corporation shall not seek any concession, right or privilege from, or enter into any negotiations or arrangement with any British or foreign government with regard thereto, without having first obtained the consent in writing of the minister.

Section 10: Notwithstanding anything contained in this Act, the corporation shall not, unless the approval of the governor in council has first been obtained:

- (a) enter into any agreement involving any expenditure in excess of ten thousand dollars;
- (b) enter into an agreement or lease for a period exceeding three years;
- (c) acquire any personal property, the cost of acquisition of which exceeds the sum of ten thousand dollars, or in any manner dispose of any personal property having an original or book value exceeding the sum of ten thousand dollars.

Section 11: (1) No real property or private station shall be purchased, acquired, sold, exchanged or mortgaged by the corporation except with the previous consent of the governor in council, and if the corporation is unable to agree with the owner of any real property or private station which it is so authorized to purchase, as to the price to be paid therefor, the corporation shall have the right to acquire the same without the consent of the owner and the provisions of the Expropriation Act, Chapter sixty-four of the Revised Statutes of Canada, 1927, shall, *mutatis mutandis*, be applicable to the acquisition of such property by the corporation.

(5) In determining the compensation to be paid, no allowance shall be made for the value of a licence terminated by the taking over by the corporation or the minister of any private station, and no person shall be deemed to have any proprietary right in any channel heretofore or hereafter assigned, and no person shall be entitled to any compensation by reason of the cancellation of the assignment of a channel or by reason of the assignment of a channel in substitution therefor.

Section 12: (a) The corporation may make such by-laws as may be necessary.

(i) to enable it to carry into effect the obligations imposed upon it by this Act;

(ii) to provide for an executive committee of the board of governors to exercise such powers as the by-laws may specify;

(iii) to provide for the appointment of advisory councils to advise it as to programmes;

(iv) to provide for the employment, dismissal, control and remuneration of such officers, clerks and employees, technical or otherwise, as may be necessary for the transaction of the business of the corporation.

Section 12: (b) No such by-laws shall come into force or effect until approved by the governor in council, and no alteration, modification or repeal of any such by-law shall have any force or effect until so approved.

So that the validity of any by-laws enacted by the corporation depends upon approval by the governor in council.

Section 16: The governor in council, on the recommendation of the minister, may authorize the Minister of Finance to place to the credit of the corporation working capital advances from any unappropriated moneys in the Consolidated Revenue Fund, but the aggregate amount of such advances outstanding at any one time shall not exceed one hundred thousand dollars, and such advances shall be repayable to the Minister of Finance on demand.

Section 17: (1) The governor in council may authorize the construction, extension or improvement of capital works of the broadcasting facilities of the corporation in Canada and, on the recommendation of the minister, may authorize the Minister of Finance to place to the credit of the corporation from any unappropriated moneys in the Consolidated Revenue Fund such sum or sums as may be necessary to carry out such construction, extension or improvement of capital works; provided that the total amount which may be so authorized for the said purposes shall not exceed five hundred thousand dollars.

(2) Such moneys so advanced shall bear such rate of interest and shall be amortized on such terms and conditions as may be fixed by the governor in council.

(3) The interest and amortization charges on the moneys so advanced shall be a first charge on the revenues of the corporation.

Section 19: The corporation shall establish and maintain an accounting system satisfactory to the minister and shall, whenever required by him, render detailed accounts of its receipts and expenditures for such period or to such day as he designates, and all books of account, records, bank books and papers of the corporation shall at all times be open to the inspection of the minister or of such person as he may designate.

Section 22: (2) If the corporation is unable to agree with the licensee of a private station as to the amount of compensation, if any, to be paid by the corporation for the use of such station for the broadcasting of programmes for the corporation, the minister may fix an amount which, in his opinion, is fair and reasonable and such amount shall be paid by the corporation to the licensee in full settlement of his claim to compensation.

Section 26: The corporation shall through the minister submit an annual report to parliament in such form as the minister may prescribe.

Those are the sections of The Canadian Broadcasting Act which indicate the ministerial responsibilities, under the statute, of the Minister of National War Services. I think I have set out all the sections, but I may possibly have overlooked some. I have tried to make the statement as complete as I could.

2. Statutory Responsibilities of the Minister of Munitions and Supply.

The following sections of the Canadian Broadcasting Act, 1936, indicate the responsibilities of the Minister of Munitions and Supply. They are, generally, of a nature that deal with the matter of licensing. Then, too, he has other functions of wave-lengths and frequencies:—

Section 11: (4) If the minister decides that the cancellation or refusal to renew any licence in the interest of broadcasting generally in Canada is desirable, and if such cancellation or refusal is not on account of any failure to comply with this Act or any regulation hereunder or the Radiotelegraph Act or regulation thereunder, compensation may be paid to the extent of an amount not exceeding the depreciated value of the licensed radio equipment requisite for the efficient operation of the station, together with a reasonable allowance to cover the cost of restoring the premises to a tenable condition for ordinary purposes.

Section 14: (1) The Minister of Finance shall deposit from time to time in the Bank of Canada or in a chartered bank to be designated by him to the credit of the corporation:—

- (a) the moneys received from licence fees in respect of private receiving licences and private station broadcasting licences, after deducting from the gross receipts the cost of collection and administration, such costs being determined by the minister from time to time.

So that the collection of licence fees is not the ministerial responsibility of National War Services but remains the ministerial responsibility of the Minister of Munitions and Supply.

Section 22: (6) In case of any violation or non-observance by a private station of the regulations made by the corporation under this section, the corporation may order that the licence of such private station be suspended for a period not exceeding three months and any such order shall be forwarded to the minister who shall forthwith communicate the same to the licensee of the station and shall take such steps as may be necessary to carry out the terms of such order.

Section 23: (1) The governor in council may make regulations prohibiting or regulating the use of any machinery, apparatus or equipment causing or liable to cause interference with radio reception and to prescribe penalties recoverable on summary conviction for the violation or non-observance of any such regulation, provided, however, that such penalties shall not exceed fifty dollars per day for each day during which such violation or non-observance continues.

(2) Such regulations shall be published in the *Canada Gazette*, and shall take effect from the date of such publication or from the date specified for such purpose in such regulations, and shall have the same force and effect as if enacted herein.

Section 24: (1) The minister shall, before dealing with any application for licence to establish a new private station or for increase in power, change of channel or change of location of any existing private station, or making any regulations or changes in regulations governing the activities of private stations, refer such application or regulation to the corporation, and the corporation shall make such recommendations to the minister as it may deem fit. The approval of the governor in council shall be obtained before any licence for any new private station is issued.

That indicates the course that must be followed with regard to applications for licences.

(2) The corporation shall, each year, prior to the renewal or issue of the licences for private stations by the minister review the activities of such private stations, and shall make such recommendations to the minister in regard to their working, broadcasting or any other matter concerning such stations at it may deem desirable.

Section 24: (1) is perhaps an excellent illustration of how the division of ministerial responsibilities came about and it also indicates the reason for it.

When the Canadian Broadcasting Act, 1936, was enacted, the minister designated in section 24 (1) was the Minister of Transport. He was the minister under The Canadian Broadcasting Act, but he was acting in section 24 (1) in his capacity as the radio licensing authority by virtue of the provisions of the Radio Telegraph Act, which is now the Radio Act, 1938. The matters referred to in section 24 (1) are technical and they continue to be within the jurisdiction of the radio licensing authority. Order in council P.C. 4215, dated June 11, 1941, which transferred the duties, powers and functions with respect to broadcasting to the Minister of National War Services, did not transfer the licensing functions of the Minister of Munitions and Supply to the Minister of National War Services, and they consequently remain with the Minister of Munitions and Supply.

Mr. GRAYDON: May I ask the minister a question just at this point

Hon. Mr. THORSON: Yes.

Mr. GRAYDON: Why did the government deem it necessary to divide the ministerial responsibilities on June 11, 1941, after there had been no division of responsibilities from the year 1936 until that time?

Hon. Mr. THORSON: One of the purposes of that order in council was to bring under the jurisdiction of the Minister of War Services various agencies of public information. The order in council, P.C. 4215, sets out the reasons and perhaps I might just as well read that into the record in view of Mr. Graydon's question. The order in council reads as follows:

Whereas the Department of National War Services Act, 1940 (4 George VI, chapter 22, section 5, subsection (d)), provides that the minister may, with the consent of the Governor in Council, co-ordinate the existing public information services of the government and originate or employ other means in order that the same may be used in the most efficient way for the obtaining of the utmost aid from the people of Canada in the national emergency which has arisen;

And whereas, in the interests of the war effort it is expedient to provide for the more effective co-ordination of radio broadcasting, film activities, and the promotion of tourist business in Canada, with other public information services of the government;

And whereas, for this purpose it is expedient to transfer to the Minister of National War Services the powers, duties and functions vested in the Minister of Munitions and Supply with respect to broadcasting, in the Minister of Trade and Commerce to film activities, and in the Minister of Transport with respect to the promotion of tourist business in Canada, and to transfer the control and supervision of the Canadian Travel Bureau to the Department of National War Services;

Therefore His Excellency, the Governor General in Council, on the recommendation of the Rt. Hon. W. L. Mackenzie King, the Prime Minister, and under and by virtue of the provisions of the Public Service Re-arrangement and Transfer of Duties Act (Revised Statutes of Canada, 1927, chapter 165, and of the War Measures Act, Revised Statutes of Canada, 1927, chapter 206), is pleased to order as follows:—

(1) The powers, duties and functions vested (by order in council P.C. 3076, July 8, 1940) in the Minister of Munitions and Supply

under The Canadian Broadcasting Act, 1936, with respect to broadcasting, are hereby transferred to the Minister of National War Services;

(2) The powers, duties and functions of the Minister of Trade and Commerce, with respect to film activities, under the National Film Act, 1939, are hereby transferred to the Minister of National War Services;

(3) The powers, duties and functions of the Minister of Transport, with respect to the promotion of tourist business in Canada, are hereby transferred to the Minister of National War Services, and, to that end, control and supervision of that branch of the Department of Transport known as the Canadian Travel Bureau is hereby transferred to the Department of National War Services.

It will be noted that one of the divisions of the Department of National War Services is the Division of Public Information. The purpose of the order in council was to bring the various agencies that I have mentioned which are concerned with public information under one ministerial responsibility.

Mr. GRAYDON: May I further ask the minister this question? In view of the fact that there are two ministers involved directly with the Canadian Broadcasting Corporation, is it the intention of the committee to bring the other minister to give a report?

Hon. Mr. THORSON: I think he would be available. He is a member of the committee.

Mr. COLDWELL: I think, in view of the fact that the disposition of wavelengths, channels and so on is of importance to the corporation and to this committee, we should have the Minister of Munitions and Supply here to deal with that.

Hon. Mr. THORSON: I do not think there will be the slightest difficulty about that.

Mr. GRAYDON: I think he should be before the committee; because the very fact that there is a division of responsibility here, I think, almost makes it essential that he also be here to give his part of it. As the Minister has pointed out, the whole Broadcasting Act has been divided, section by section, under two different responsible Ministers and I think it is only fair that both of them should be here.

The CHAIRMAN: That is a matter that rests with the committee, not with the Minister.

Mr. GRAYDON: I was addressing my remarks to the chairman, naturally.

Hon. Mr. THORSON: If the questions on that subject have been dealt with, I might proceed.

The CHAIRMAN: I would suggest that members make notes of any matters which they may want to bring up with reference to the Minister's statement, and after it has been made we can have any question that is desired. It will look better on the record if the statement is connected rather than cut up by interjections. We can go right ahead afterwards.

Mr. HANSELL: Just before the Minister goes on, there is a matter I should like to mention. The Minister is referring quite a little bit to the statute. Would it be possible for us to have a copy of that?

Hon. Mr. THORSON: Oh, yes.

Mr. HANSELL: Then we could follow him in his reading.

Mr. CLAXTON: Also the by-laws and regulations. I think they are bound together in a couple of small volumes.

The CHAIRMAN: They will be provided.

Mr. CLAXTON: The statute, by-laws and regulations.

The CHAIRMAN: You have a copy of the statute. All you have to do is refer to it. A copy of the regulations will be provided for the members. I will now ask the Minister to proceed.

Hon. Mr. THORSON: Very well.

By-Laws and Regulations

Under the Broadcasting Act the corporation has power to make by-laws for the regulation of matters referred to in the Act, and to make regulations for all radio stations. Its by-laws were issued with the approval of His Excellency the Governor General in Council in November, 1937.

I shall refer briefly to changes in the by-laws and regulations respectively, which have been made since the time of the last Select Committee, March, 1939.

Changes in By-Laws since 1939

By-laws 6, 7 and 8, setting forth the duties and responsibilities of the general manager and the assistant general manager were amended by the board at their meeting on March 24, 1941.

By-law 6 (2) providing for the employment, dismissal and remuneration of the officers and other employees of the corporation was cancelled.

By-law number 7 setting forth the duties of the general manager was cancelled and a by-law providing for the establishment of an executive committee in accordance with the provisions of section 3 (7) of the Canadian Broadcasting Act, 1936, was substituted therefor.

By-law number 8 setting forth the duties of the assistant general manager was cancelled and a new by-law setting forth the duties of the general manager, the assistant general manager, and providing for the appointment of a controller of finance was substituted therefor.

These by-laws were recommended by the Minister of Munitions and Supply and approved by the Governor General in Council on April 29, 1941.

Members of the committee will have before them a copy of the Canadian Broadcasting Act, 1936, and the by-laws of the Canadian Broadcasting Corporation, and they will be able to follow the changes that took place.

Mr. HANSON: Could those be distributed now?

Hon. Mr. THORSON: They should be distributed with the amendments as well. I have not the amendments in my copy. Those amendments in the by-laws are of very considerable importance and will, no doubt, receive the very careful study of the members of the committee.

Changes in Regulations since 1939

During the period which has elapsed since the last parliamentary committee there have been numerous amendments to the broadcasting regulations. These revisions, in each instance, have been conditioned by the following factors:

- (a) The desire of the corporation to make its regulations fit the constantly changing conditions of the radio medium;
- (b) To have only such regulations as were genuinely considered essential to legitimate control over radio in Canada and susceptible to appropriate enforcement.

The below noted are the changes effected during this period:

- (1) The amendment to broadcasting regulation 10 (which was then regulation 11), effective April 1, 1939, increased the restrictions on the broadcast of programs in the interest of breweries and wine companies. On and after this date, such advertising was limited to

the province of Quebec, and all programs and continuities were stipulated to require the approval of the general manager of the Canadian Broadcasting Corporation prior to broadcast.

I imagine that members of the committee might wish to ask the general manager for the background of these various changes in the regulations.

- (2) The addition of a new clause to regulation 18 (then regulation 19 (4)), effective July 7, 1939, forbade the use of mechanical reproductions, or other means, as a way in which broadcasters might hope to do indirectly what a regulation or ruling of the corporation disallowed directly on a network or hookup. This amendment was prompted by evasions of the corporation policy with respect to controversial broadcasting effected through the use of electrical transcriptions.
- (3) Regulation 11, subsection (3) (which was formerly regulation 12, subsection (3)), was amended to allow radio stations to broadcast non-sponsored spot announcements during periods in which such features were generally not permitted. The purpose of this amendment was to make possible coverage tests essential to the compilation of certain station statistics. This amendment became effective on January 22, 1940.
- (4) Becoming effective on the same date as the regulation amendment in (3) above, regulation 18 (1) (formerly regulation 19 (1)) was amended in an effort to place on a more satisfactory basis the use of mechanical reproductions in the evening hours. It was felt that the previous provision failed to take into account certain essential factors associated with permissions to broadcast such mechanical reproductions between the hours of 7.30 and 11 p.m.
- (5) Regulation 7 (*k*) was added, and became effective on July 1, 1940. It prohibited the insertion of advertising content in the body of newscasts. This change was the result of a general feeling that such material should not be inserted during an actual programme of news.
- (6) Regulation 18 (1) (then regulation 19 (1)) was modified through the addition of a clause (*d*). It had been found the amendment adopted on January 22, 1940, and explained in the paragraph numbered (4), was too restrictive, and did not give the corporation sufficient leeway in the granting of permissions to use electrical transcriptions in the evening hours. The amendment made possible special permissions where the circumstances seemed to warrant such action.

Mr. GRAYDON: What was the date of that one?

The CHAIRMAN: The 22nd of January, 1940.

Hon. Mr. THORSON: No. I have not the date.

Mr. GRAYDON: It must have been after the 1st of July.

Hon. Mr. THORSON: I have not the date of the going into effect of that particular regulation.

Mr. GRAYDON: That is all right.

Hon. Mr. THORSON: Continuing:

- (7) On November 26, 1940, the regulations governing the mention of price in the radio medium (then regulation 11 (*b*)—now regulation 10 (*b*)) was amended to permit mention of sums of money, not to exceed one dollar, in connection with premium merchandising offers. The revision had been first put into effect for a trial period (January 4 to December 31, 1940), and the adoption of the revision indicated formal

approval of the change by the board. It might be added the change outlined above was effected in an attempt to make the regulation conform more satisfactorily to the exigences of commercial broadcasts.

- (8) Two further amendments to the broadcasting regulations went into force on January 1, 1941. Both were associated with the new approach in respect to the broadcast of news. Regulation 14 (now regulation 13) rules inadmissible except on an institutional basis, the broadcast of newscasts or news commentaries under commercial sponsorship. That was an important regulation. Regulation 11 (3) (then regulation 12 (3)) made possible, however, the use of spot announcements during the evening hours where they prefaced or followed newscasts. It was stipulated these spots must not be employed so as to give in effect an aura of sponsorship to such news programmes. The two foregoing changes were the result of representations the corporation received in strong disapproval of sponsorship, in the accepted sense of news.
- (9) On March 24, 1941, the board adopted a general consolidation of all the broadcasting regulations. At this time, three actual changes in the regulations were also made. Regulation 5 was amended to require the submission of station logs so that the corporation might have available at all times additional statistical information with respect to the operations of all Canadian broadcasting stations.

Mr. GRAYDON: That will include all stations?

Hon. Mr. THORSON: I imagine so.

Regulation 10, which had covered a temporary situation brought about by the founding of the Canadian Broadcasting Corporation, was cancelled, and regulation 12 was revised though in no material respect.

- (10) On December 2, 1941, there came into effect an amendment to broadcasting regulation 13 (2). The sole effect of this change was to allow what had been previously prohibited, namely, the naming of news sources, and was in response to strong requests for such modification.

The foregoing recital of modifications serves to demonstrate the willingness of the corporation to keep, through a vigilant series of revisions, the broadcasting regulations in tune with changes in the radio medium generally.

The general manager will be able to answer any questions that members of the committee may wish to ask relating to these regulations and their operation and the circumstances under which these changes came into effect.

If I may pass on to another subject. Up to the present I have been dealing with the statutory subjects, the statute itself, the by-laws and the regulations. I should like now to say something about the extension of coverage and network from the period November, 1936, to March, 1942.

When the C.B.C. took over from the Canadian Radio Broadcasting Commission on November 2, 1936, the corporation found itself the owner or operator of seven stations, with a total power of 13,600 watts. That was all. There were then in existence sixty-seven privately-owned stations with a total power of 61,000 watts. Of these private stations sixteen formed part of the C.B.C. national network. These sixteen stations, plus the seven C.B.C. stations, gave assured coverage to rather less than 50 per cent of the population of Canada, and the part of the population then getting coverage was largely the urban part of the Canadian people.

The principles on which the C.B.C. was to improve this state of affairs were outlined by my predecessor, Hon. C. D. Howe, in a speech at Moncton, on October 12, 1937. He said then:

The Broadcasting Corporation has adopted, as a policy, government ownership and operation of the larger stations. In future, private stations will not be allowed to expand beyond 1,000 watts, while existing larger stations will not be permitted to increase their present power. The corporation will, however, proceed as rapidly as funds will permit to build a series of high-powered stations which will in themselves give full coverage.

Since that time—that is, since 1937—the C.B.C. has put into operation four high-powered transmitters (50 kilowatts each) at Toronto, Montreal, Sackville, New Brunswick and Watrous, Saskatchewan. It has increased the power of its B.C. regional transmitter from 1,000 to 5,000 watts. CBM, the English transmitter in Quebec, has been rebuilt and relocated so as to give increased coverage. An alternative outlet of 1,000 watts has been supplied to give coverage in and around Toronto. The transmitter at Chicoutimi has been raised from 100 to 250 watts, and is in process of going up to a kilowatt. A new 20-watt local transmitter or repeater station has been put into operation at Revelstoke; this is the first of a series of such repeater stations designed to give coverage in small centres of population which are shielded by nature from satisfactory reception from more powerful stations in the vicinity.

To-day, then, the C.B.C. owns and operates ten stations with a total power of 213,250 watts as compared with the 13,600 watts of five and a half years ago.

In spite of this, however, the corporation has not yet achieved the goal envisaged by Mr. Howe, namely that the C.B.C. should be in a position to give full national coverage through its own stations. This has been due to lack of funds and to lack of time. It was hardly to be hoped that the ambitious but highly desirable goal, envisaged by Mr. Howe, would be reached in five years.

Nevertheless, the corporation still shoulders the responsibility of giving national coverage. In order to do this it makes use of the existing facilities of privately-owned stations, and by so doing the C.B.C. confers on them benefits of substantial value.

There are to-day seventy-four privately-owned stations as compared with sixty-seven in 1936. Their total power is 90,950 watts, somewhat more than a third of the power of the C.B.C. stations.

Mr. COLDWELL: Can you give the comparison as you did with the other in 1936?

Hon. Mr. THORSON: The total power in 1936 was 61,000 watts.

The policy of the C.B.C. with regard to these stations is to recognize their utility in serving a community purpose and for the time being to use them when necessary to supplement the coverage given by C.B.C. stations. No subsidies or payments in consideration of carrying C.B.C. programmes are made to any of the private stations.

The C.B.C. basic national network includes, in addition to the corporation's stations, twenty-six private stations. In addition to this there are a number of supplementary stations.

Mr. BERTRAND: Would you mind explaining what you mean by "supplementary stations"?

Hon. Mr. THORSON: I do not know that I can give a complete statement because what is meant by a supplementary station may have a changing flexible meaning. Perhaps Mr. Murray can answer that now to clear up the point.

Mr. MURRAY: As distinct from the basic they are used occasionally for emergency purposes. The basic is the regular automatic hook-up; supplementary is the additional for emergency purposes.

Hon. Mr. THORSON: From that some may be used to a greater extent than others for supplementary purposes.

There are also a number of stations which can take special broadcasts when required and into which the C.B.C. maintains wire lines.

Authorization was granted at the board meeting of April, 1942, for the addition to the network of CKRN, Rouyn; CKVD, Val d'Or; and a proposed new station at Amos for the servicing of the Abitibi area with both French and English programmes. This network extension is to be made just as soon as technical arrangements can be completed. Station CKRN has, of course, been releasing English network service since September, 1939. However, under this new arrangement it will release also a certain quota of French network programmes.

Licences for the following private stations have been granted by the Department of Transport on the recommendation of the corporation since November, 1936:

1. CJBR, Rimouski, P.C. 1717, July 21, 1937.
2. CHGB, Ste. Anne de la Pocatiere, P.C. 1574, July 6, 1938.
3. CKVD, Val d'Or, P.C. 296, February 9, 1939.
4. CHLT, Sherbrooke, P.C. 766, April 10, 1937.
5. CKRN, Rouyn, P.C. 2686, October 27, 1938.
6. CFOS, Owen Sound, P.C. 766, April 10, 1937.
7. CKCA, Kenora, P.C. 2286, September 22, 1937.
8. CFAR, Flin-Flon, P.C. 766, April 10, 1937.
9. CKLN, Nelson, P.C. 3122, December 14, 1938.
10. CHEX, Peterborough, P.C. 6679, August 28, 1941.
11. CFGP, Grande Prairie, P.C. 766, April 10, 1937.
12. CHLM, Three Rivers, P.C. 766, April 10, 1937.
13. CKNB, Campbellton, P.C. 2342, August 26, 1939.

Mr. COLDWELL: How many are there in this list?

Hon. Mr. THORSON: Thirteen. After the name of each station and its location there will appear the order in council and also the date of the order in council.

Mr. COLDWELL: I presume the ownership of the station will be given in the order in council.

Hon. Mr. THORSON: I imagine so.

Licences have also been granted for the following new stations which are not yet in operation:

1. CHOV, Pembroke, Ont., P.C. 8598, November 10, 1941.
2. CHPS, Parry Sound, Ont., P.C. 8750, November 10, 1941.
3. CJFX, Antigonish, N.S., P.C. 3044, May 1, 1941.
4. CKWS, Kingston, Ont., P.C. 8212, October 24, 1941.
5. CJMH, Medicine Hat, Alta., P.C. 3846, May 30, 1941.

The names of the stations, the locations, the orders in council and the dates of the orders in council will appear in the record.

Mr. GRAYDON: With regard to all these new stations where licences have been granted, sixty-five new stations, are these in areas not already covered by the C.B.C.?

Hon. Mr. THORSON: I would not like to state what the circumstances with regard to these various licences are without checking the facts in each case; but I think that generally speaking—

Mr. COLDWELL: The general manager will be able to give all that information.

Hon. Mr. THORSON: The general manager, or the assistant general manager, will be able to give you all particulars with regard to the facts of each individual application.

The Board has recommended the grant of a licence for the establishment of the proposed station at Amos.

During the period under review for purposes either of maintaining Canada's international wave-length position, or of remedying abnormal local broadcasting conditions, a number of increases in power have been licensed for private stations when such procedure was compatible with the corporation's technical plan. One station has had its power increased from 50 watts to 500 watts; one station from 50 watts to 100 watts; one station from 50 watts to 1,000 watts; six stations from 100 watts to 250 watts; twenty stations from 100 watts to 1,000 watts; one station from 250 watts to 1,000 watts; one station from 400 watts to 500 watts; three stations from 500 watts to 1,000 watts. Four stations which operated on different power during the day and during the night have been given permission to operate on full power day and night.

The particulars with regard to these stations and the circumstances under which the application was made and granted will be available to members of the committee through the general manager or the assistant general manager.

It has been the policy of the corporation to oppose the establishment of new private short wave broadcasting stations. Such licences as have been renewed for short wave stations existing in 1936 have contained a suitable expropriation clause.

The C.B.C. has constructed since 1936 three short wave transmitters. One is at Vancouver with a power of 200 watts. At Vercheres, Quebec, there are two transmitters, one of 7,500 watts operating on three frequencies, and one of 250 watts. These short wave transmitters are used to supplement the coverage of stations on the broadcast band.

Mr. COLDWELL: How many private short wave stations are there?

Hon. Mr. THORSON: I could not say offhand. Could you answer that, Dr. Frigon?

Mr. FRIGON: There are four privately owned short wave stations, and four low power stations.

Mr. COLDWELL: When we have the opportunity may we be given some information on these short wave stations regarding power, coverage and so on?

Hon. Mr. THORSON: I imagine so. The résumé of the increase of coverage is this:

As a result of all this, the coverage of the national network now includes 96.1 per cent of the population of Canada as opposed to 49 per cent in November of 1936.

If I may pass on to another subject—

Mr. GRAYDON: I am sorry to interrupt, but may I ask, that 96.1 coverage does not mean coverage by the Canadian Broadcasting Corporation, does it, in all its own stations?

Hon. Mr. THORSON: Not by its own stations, but it is the coverage of the national network.

Co-operation with Government Departments.

Growing recognition of the value of broadcasting in war time is reflected in the increasing degree to which the government and its departments look to the C.B.C. for aid in publicizing government policy, legislation and assistance in the promotion of national campaigns and appeals.

This has meant that the closest possible liaison must be maintained with government departments in order that campaigns might, as far as possible, be anticipated and to ensure that the department concerned receives from the C.B.C.'s programme experts the best possible advice as to how the medium of radio can best be utilized for the problems which arise in war time. C.B.C.

representatives are represented on all government publicity committees and, as the government naturally looks to C.B.C. as its radio advisers, C.B.C. personnel have played a prominent part in the development of war effort appeals.

So-called spot news originating from government sources is, of course, supplied to the C.B.C. News Bureaux by the press services on which they depend for their news. However, special machinery is available to despatch direct items of unusual significance which might be released so shortly before a newscast deadline that the normal channels would be too slow.

In addition to the contact which is maintained with the individual departments, the closest co-operation has been effected between the C.B.C. and the Director of Public Information in the organization of specific war effort programmes such as "Carry on, Canada," "Let's Face the Facts," and "Canadians All." At the present time the corporation has turned over a fifteen-minute period each evening to the Director of Public Information for a daily review, "As a Matter of Fact."

I should like now to make reference to a recent radio tour on Canadian war industries.

On April 20 a group of seventeen prominent executives and programme officials of the American networks convened in Montreal for a four-day tour of the Canadian war scene.

While in the past representative American publishers and newspapermen have been brought to this country at the invitation of the government to study our war effort, this was the first time such a tour had been arranged for radio officials. The idea of the tour was developed as the result of the visit of a member of the C.B.C.'s staff to New York last February to determine whether the American networks might be induced to give greater coverage to the story of Canada's war effort. The results of this visit and the tour have been very gratifying.

The tour of radio officials provided an excellent opportunity for American broadcasters to learn something of Canada's war effort. A great deal was crowded in four days, with visits to Montreal, Brockville, Trenton, Sorel, Hamilton, and Ottawa. Many important broadcasts about Canada have already taken place as a result of this tour. A commentator from the Mutual Broadcasting System originated three special programmes during the tour which described Canada's war effort in the most glowing terms. H. R. Baukhage, the Washington commentator of the Blue Network Inc., who was also on the tour, originated his daily broadcast from Canada during the four days of the tour, devoting most of his time to the story of Canada's war effort. On May 8 a commercial programme on the Mutual Broadcasting System gave a "Salute to Canada," a Canadian soldier and airman and a representative of Munitions and Supply appearing on the broadcast. The Mutual have also expressed their willingness to carry one of the weekly programmes from the R.C.A.F. training stations. The Columbia Broadcasting System is planning a special feature programme based on information gathered during the tour.

Representatives of the short wave division of the Columbia network and the short wave station WRUL in Boston were included in the tour and some excellent talks about Canada have been broadcast in their short wave service. A representative of WLW was also in the party.

C.B.C. Listening Post attached to the C.B.C. short wave receiving station:

The C.B.C. has monitors who listen selectively to the short wave transmissions of the world. Special reports are made on propaganda from Axis countries. Reports are circulated to all government departments concerned and to the C.B.C. News Service. Propaganda analysis is also conducted. In this connection information received through the C.B.C. Listening Post enabled counter-action to be taken about propaganda directed to merchant seamen of the United Nations.

Programme exchanges with other countries:

A Canadian Broadcasting Corporation unit with equipment was aboard the flagship of the escort of the First Canadian Division crossing the Atlantic in December, 1939. Continuous contact has been maintained between the troops in the United Kingdom and listeners in Canada. In addition to its substantial programme service for Canada, the C.B.C. unit overseas contributes to the programme service of the United Kingdom and of the empire. Since the war started this work has been inspected once by the general manager of the C.B.C. and twice by the general supervisor of programmes. An idea of the extent of the work is given by the fact that in the winter of 1940-41 over 1,000 recordings were made and, in carrying out this work, the armoured van of the C.B.C. travelled an average of 1,000 miles a month, suffering damage from enemy action. All aspects of the life and activities of the Canadian forces in Britain are dealt with. There is now an average of nine programmes weekly directed to Canada by the C.B.C. Overseas Unit. Also there is an important contribution to the United Kingdom home and overseas programmes which our unit is glad to undertake.

The C.B.C. maintains close relations with other broadcasters. In Canada there is close cooperation on all war projects with the Canadian Association of Broadcasters (the organization of most privately-owned stations) as well as with those privately-owned stations outside the organization. There are exchange programme arrangements with all U.S. networks—the National Broadcasting Company, Columbia Broadcasting System, Mutual Broadcasting System, and the Blue Network and the Evergreen Network. There is in effect a pooling of artistic resources for North America. The proportion of Canadian programmes being relayed in the United States steadily increases. In addition, surveys reveal that the C.B.C. through its own stations has in the United States a direct and regular listening audience of more than two million radio homes representing an auxiliary following of nearly the total population of Canada.

Before the war, the C.B.C. had pioneered in establishing co-operation between the broadcasters of the British Commonwealth. It was at the initiative of the C.B.C. that there was instituted a plan for the regular exchange of program producers. C.B.C. producers worked with the broadcasters of other parts of the commonwealth, whose representatives came to Canada.

Contact with the B.B.C. was naturally the most intimate. Wartime co-operation was fully prepared in advance and came into immediate effect on the outbreak of hostilities.

The C.B.C. has given special attention to South American relations. An example of this was during the recent tour of the Minister of Trade and Commerce, some of whose speeches in South America were given Pan-American coverage through C.B.C. initiative. Another example is the present series of Pan-American descriptive programs being arranged with the Mutual Broadcasting System of the United States. Much good feeling towards Canada in Mexico resulted from the broadcasting in Canada of a representative touring group of Mexican artists. A feature programme about Canada is now in preparation for simultaneous broadcasting in Argentina to mark the significant formation of the Canada-Argentine Institute of Cultural Relations. These are examples of growing activities in this field. Much more could be done if Canada were equipped with a high-power shortwave transmitter.

Mr. GRAYDON: I should like to ask Mr. Thorson a question at this point. Is this broadcasting in other countries done in consequence of a particular general program of public information by the government or is this being done individually by this department?

Hon. Mr. THORSON: This aspect of it is being done by the Canadian Broadcasting Corporation.

Mr. GRAYDON: It is not part of a general publicity scheme?

Hon. Mr. THORSON: No. It is not part of a world-wide scheme of public information connected with my department.

Mr. GRAYDON: It is not done by the public information department?

Hon. Mr. THORSON: No.

Mr. GRAYDON: Or under their auspices by the government?

Hon. Mr. THORSON: No.

Continuing:

Close contact is maintained between the C.B.C. and the broadcasters of Australia and New Zealand. One example of this phase of operation is the weekly newsletter, broadcast in Canada for the benefit of Anzac members of the Commonwealth Air Training Scheme. Programs about Canada recorded by the C.B.C. and broadcast to Australia and New Zealand, have helped the war effort. Also assistance has been given to the broadcasters of Newfoundland and British West Indies.

Among the instances of recognition of the C.B.C. outside Canada is the award of the Certificate of Merit from the National Federation of Press Women of the United States for Canada's contributions to the "Salute of the Nations" series at the time of the New York World's Fair. Recently the United States National Institute of Radio Education, in reviewing all the war effort programs of the continent, gave special awards to four C.B.C. programs, two of which were placed ahead of all other programs in North America.

Last week, the famous United States production "Town Hall of the Air" ventured abroad for the first time. Mr. George F. Denny came to Ottawa, and I believe American-Canadian relations benefited. I know that the knowledge of Canada in the United States is substantially improved through the network of 83 United States stations which carried this broadcast.

At the request of the Free French, and with the concurrence of the Canadian government, the C.B.C. sent engineers to Brazzaville, Africa, to supervise the installation of a high-power station, an enterprise of great importance to the United Nations.

The C.B.C. also has been instrumental in organizing a special series of broadcasts to the French people through the high-power shortwave station WRUL, Boston, Mass. Miss Beatrice Belcourt will know a good deal about this. This series under the auspices of the Free French movement, has already included amongst others, addresses in French by His Eminence, the Cardinal, Premier Godbout of Quebec, His Excellency, Archbishop Vachon, Major-General LaFleche, Brigadier-General Vanier, Monsieur Emile Vaillancourt.

Tests are now in progress for exchange of service with other members of the United Nations group, but it is not in the public interest that information on this should be revealed.

The reports that I receive all indicate that the C.B.C. has contributed an all-out effort to every phase of Canada's war effort. Although the money criterion is unimportant in these matters, it is perhaps a kind of "yardstick" to indicate that in the year April 1, 1941, to March 31, 1942, the normal commercial value of the time devoted to public service by the C.B.C. National and Regional Networks and individual C.B.C. stations is estimated conservatively at \$550,000.

I think I may make it as a statement of fact that the C.B.C. has not only served all phases of the war effort in Canada, but that it has also assisted in bringing encouragement and inspiration to the remaining free peoples of the world.

Mr. GRAYDON: May I ask the Minister this one question with regard to the last statement he made. I presume that does not mean that commercial revenue to the extent of \$550,000 has been lost by virtue of the intervention of government news?

Hon. Mr. THORSON: No. I mean the commercial yardstick applied to the time would indicate that that would have been its value. It would not follow that that revenue was thereby lost, because the corporation might not have used all that time for commercial broadcasts.

I should say perhaps that there are several matters that I referred to in the statement that are really matters affecting the operation of the corporation, and particulars with regard to them will be available to members of the committee to-morrow morning from the general manager and assistant general manager.

Mr. COLDWELL: May I ask, Mr. Thorson, in what manner your contact as Minister is maintained with the corporation? Just what channels do you use?

Hon. Mr. THORSON: Well, it varies. I may have direct communication with the general manager; I may communicate with the assistant general manager; I may communicate with the secretary; or there may be consultations with the chairman of the board of governors. Also my officers have a direct contact with their public relations' man, Mr. Aylen. There is no fixity about the channels of communication.

Mr. COLDWELL: Do you hold conferences with the board at all?

Hon. Mr. THORSON: I think I have twice sat in with members of the board for a very brief period of time. But I do not attend the meetings of the board as such.

Mr. COLDWELL: In other words, you regard the board as an entirely autonomous body?

Hon. Mr. THORSON: Yes, entirely. I wanted to emphasize that right at the opening of the committee. It is the board that sets the policies of the corporation.

Mr. COLDWELL: You would not consider it to be any part of your duty to interfere with board decisions?

Hon. Mr. THORSON: Not at all.

Mr. COLDWELL: Or to abrogate any power that the board may have?

Hon. Mr. THORSON: Not at all. I have sought continuously—and I wish to emphasize that before the committee—to exercise only such responsibility as is vested in me by the statute and by the order in council transferring the functions to my department.

Mr. HANSON: Does the board report to you? I notice that the report is to the Minister of Munitions and Supply; that is, the report that we have so far.

Hon. Mr. THORSON: No. I think the report that is presently before the members of the committee for the fiscal year ending March 31, 1941, was made to me, on September 1, 1941, by the chairman of the board.

Mr. HANSON: The committee has not a copy of that report.

Hon. Mr. THORSON: My recollection is that I presented this report to the house.

Mr. COLDWELL: Mr. Thorson, you are responsible, too, for other branches of public information?

Hon. Mr. THORSON: Yes.

Mr. COLDWELL: I notice that, towards the end of your statement, you mentioned that monitors were listening in to programmes from stations all over the world or were circulating data gathered from those broadcasts. Have you given any consideration to the establishment of something like the British Listener so you might appeal to a much wider reading public than is possible simply by circulating among the departments? What I have in mind is this. We have many programmes that contain information that ought to be recorded

and made available for study. I wondered if any consideration had been given by the department or by the Minister to the establishment of any such medium for the C.B.C. as they have in other countries, particularly in Great Britain.

Hon. Mr. THORSON: That is a suggestion that is certainly worth bearing in mind. We have not done anything; that is, my department has not done anything especially with regard to that.

Mr. COLDWELL: That is something the committee could probably think about later.

Hon. Mr. THORSON: Yes. I would welcome suggestions with regard to the matter. The monitors are C.B.C. employees, not employees of the Department of National War Services.

Mr. COLDWELL: Yes, I understand that.

Mr. GRAYDON: Mr. Thorson, may I ask this? There are many departments of government, boards and other media through which governmental policy and governmental news of various descriptions are brought to the broadcasting corporation for dissemination over their networks. Listening in on programmes from time to time one finds many departments taking their place on the air sponsored by those very governmental bodies. Is there a settled policy arrived at between the Chairman of the Board of Governors or the administration of the broadcasting corporation in respect to the means by which these various items of governmental news and information are conveyed to the broadcasting corporation? In order to perhaps clarify what I have in mind, may I give an example of what I mean. Does the Wartime Prices and Trade Board, for instance, go direct to the C.B.C., and say to the corporation, "We want some time at ten o'clock on Tuesday night for broadcasting something in connection with price control"? Or does the Department of National Defence say, "We want some time on Thursday night at eight o'clock to transmit over your network certain items of public interest with regard to our department or some announcements"? Or is there some settled policy which is joined in by all of the government departments, by which there shall be a governmental channel through which it reaches the broadcasting corporation rather than coming from each individual department?

Hon. Mr. THORSON: There should be a differentiation between news and special statements. With regard to news—the corporation operates, as I understand it, a news service in Toronto. Mr. Bushnell will be able to explain fully the operation of the news service. That news service relies for its news, including governmental news, upon the Canadian Press teletypes which flow into that office; that is news, including government news. With regard to special announcements, the departments make their arrangements. They do not all funnel through one government channel, namely my own or any other. The individual departments make their arrangements with the C.B.C.

Mr. GRAYDON: Mr. Minister, if I may say so, I think that is a very wrong policy. As government departments increase in numbers and in importance with respect particularly to public interest, it seems to me that the government will sooner or later have to really utilize this bureau of information which you have to funnel their news or channel it if you like, through to whatever media they are going to use with respect to dissemination throughout the dominion. Although I have no idea what will come out in the evidence, I can see very clearly a grave danger of conflict, as to time and as to their importance in the position of their broadcasts, between the various boards and departments which are so numerous now in Ottawa. I think the Minister must have given some consideration to a change in government policy on that, because it seems to me that the government, as the Minister has so properly pointed out, is distinct entirely from the Canadian Broadcasting Corporation, except those parts over which the statute actually gives him certain powers and authority—certainly with respect to news and to information. Perhaps I was confusing those two items.

Hon. Mr. THORSON: If you will just draw a clear distinction between news, including governmental news—the news broadcasts, so to speak—and the various announcements and statements that various departments of the government feel should be made over the C.B.C., I think you can make a very useful contribution.

Mr. GRAYDON: I think the Minister and I are at one on that point. I refer entirely to the announcements which he just referred to at the last. It seems to me, with regard to announcements, if you like, of government policy, and the dissemination of that type of information which the government must have access to, from the standpoint of an orderly set-up between the government and this integral corporation, which is apart from the government, there must be a chaotic condition at times with respect to the applications from various departments to the Canadian Broadcasting Corporation. As I said before, I have no idea what the evidence will bring out there, but I should like to ask whether the Minister has given some consideration to a broad general policy by the government with respect to the channeling of information to the broadcasting corporation. I can understand the broadcasting corporation's position. They do not want to refuse a department, but yet how do they know or by what means can they ascertain how important that broadcast will be, having reference to other departments that may perhaps want to get on the air at the same time or at a preferred period? I should like to know whether or not the Minister intends to really use this bureau of information which the government has as the main channel for governmental announcements through the various departments, because I think we should not allow the position to become clouded by virtue of the fact that everyone may go direct to the broadcasting corporation with whatever application for time he desires to make.

Hon. Mr. THORSON: I should perhaps preface what I have to say by saying that the broadcasting corporation itself is the custodian of its time. The time belongs to the Canadian Broadcasting Corporation.

Mr. GRAYDON: Theoretically, yes.

Hon. Mr. THORSON: Oh, more than theoretically.

Mr. GRAYDON: Oh, well—

Hon. Mr. THORSON: But the Canadian Broadcasting Corporation is also a great Canadian national instrument and so assists the country in carrying on its war effort. I will agree that there might be an improvement over the present situation, but I do not think it is possible to lay down any policy that will fix times. One of the most interesting statements that was made to me very soon after I took over my many duties was made to me by the management of the Canadian Broadcasting Corporation to the effect that every day in the broadcasting corporation brings its particular crises, and brings out the necessity of making some adjustment in respect of the programmes of the day that may perhaps have been laid down originally quite a long time before; because it may be that the nature of a governmental statement is such that it cannot be made until a certain time, and there can be very little notice given of the statement. Policy may be, for instance, enunciated at a certain time and it is very desirable that it should go to the press and over the C.B.C. as soon as possible after its formulation. That may throw previous arrangements all out of line and cause quite a headache to the programme people of the Canadian Broadcasting Corporation. So that there are these, shall I say, emergency situations which cannot be avoided. That does not meet the whole situation. I do not think that you can really do anything in advance about these emergency situations. They arise from time to time and you cannot work out any policy in advance in respect of these situations. But there are other announcements that are planned ahead of time, considerably ahead of time; and those are planned by the individual departments with the Canadian Broadcasting Corporation. The Canadian Broadcasting Corporation knows the

arrangements it has made with regard to its time, and it is the best co-ordinator of the time that it will make available to the various government departments. In respect of these announcements that can be planned beforehand, the government departments do not have the disposition of the time because the time belongs to the Canadian Broadcasting Corporation. I do not think it would be feasible for the government to set up one agency and that that agency should say to the corporation, "These broadcasts have to go on at this particular time." The times have to be fitted in with the arrangements made by the broadcasting corporation.

Mr. GRAYDON: I quite understand that.

Hon. Mr. THORSON: Let me give you something by way of illustration.

You have mentioned the Wartime Prices and Trade Board. Suppose it is thought desirable by Wartime Prices and Trade Board that some statement should be made over C.B.C. It would communicate with C.B.C. and ascertain from C.B.C. what time is available and at what time such and such a statement could be made. So that it is really the C.B.C. that is the co-ordinator of the time. It may be that that situation could be improved and it has been represented to me, as Mr. Graydon has represented this morning, that it might be possible to make a better use of time. How that is to be done is something that must be taken up with the C.B.C. officials.

Mr. GRAYDON: Has there been any conference on that subject between the chairman of the Board of Governors and the management?

Hon. Mr. THORSON: Yes, there have been conferences and there has been a very considerable improvement in the situation. We have in our department set up an Interdepartmental Publicity Committee under the chairmanship of Mr. Justice T. C. Davis, one of my associate deputy ministers. On that committee are represented all the various publicity and public relations branches of all the departments of government.

Mr. GRAYDON: You are getting closer to it now.

Hon. Mr. THORSON: There are the three departments of National Defence which have publicity branches. The Department of Munitions and Supply has its publicity and public relations offices; the Department of Labour is interested in matters of publicity; the Foreign Exchange Control Board, the Bank of Canada, the Department of External Affairs, the Wartime Prices and Trade Board have their representatives on this committee, and the Canadian Broadcasting Corporation has its representative in the person of Mr. Peter Aylen on this committee. This Interdepartmental Publicity Committee set up in my department under the chairmanship of Mr. Justice Davis—

Mr. GRAYDON: How long has it been functioning?

Hon. Mr. THORSON: —has been very helpful. It was set up very soon after I took over the charge of the Department of National War Services. I think it was set up early in July last year.

Mr. ISNOR: What was the purpose of setting up that committee; what brought it about?

Hon. Mr. THORSON: I should add to the personnel of that committee the Director of Public Information and representatives of the Public Information Bureau of my department. The reasons for the setting of it up are, I think, quite interesting and indicate in a sense the manner in which the Bureau of Public Information operates and indicate also the manner in which the C.B.C. assists in this function.

I mentioned a moment ago that one of the functions assigned to the Department of National War Services is under the provisions of the Department of National War Services Act, section 5, subsection (d), which provides that the Minister may with the consent of the governor in council "co-ordinate the existing public information services of the government and originate or

employ other means in order that the same may be used in the most efficient way for the obtaining of the utmost aid from the people of Canada in the national emergency which has arisen." Now, what is meant by co-ordinate? It might be possible to bring all the existing public information services of the various departments of the government into one department. That might be possible. That was abandoned definitely and deliberately. There were existing information branches in the various departments. I mentioned the ones that are in the Department of National Defence. Well, they are chiefly concerned with the special interests, if I may describe them as such, of those departments; and each one of them has individual functions to perform. The members of those information branches are in close association with the officers of those departments and I felt it wise—I came to that decision very early—to leave those departments functioning as they were. I thought it was wisdom that no attempt should be made to try to bring all of those into one department under one head.

Efforts had been made earlier in Britain to try to do that and they had met with failure. In the first place you probably could not bring them all into one department. But, aside entirely from the possibility of bringing them all into one department, there was the more important factor that governed, that it was not desirable to bring them into one department. They would function very effectively if they operated in respect of their particular activities in their own department; because that department has special functions to perform; and they are deeply concerned with the fulfilment of those functions. So we abandoned the idea of trying to bring all the existing public information services under one head and one direction. We thought that we could better promote the co-ordination of public information by setting up the Interdepartmental Publicity Committee. This interdepartmental committee is purely advisory and consultative in its functions. The integrity of each of the departments is maintained. The committee meets regularly; it met almost every week at one time. A great many problems and difficulties of public information were discussed and ironed out. A representative of C.B.C. has been a member of this committee from its outset and knows therefore the various publicity plans of the various departments; and I think the co-ordination is more effective through this method than it would through any attempt to set up one department of government control of public information activities.

Mr. COLDWELL: May I ask a question there? Does this committee report upon the value or desirability of the war programs that are put over the C.B.C.? Is any consideration given to that?

Hon. Mr. THORSON: Well, the variety of—

Mr. COLDWELL: I mean war programs specifically.

Hon. Mr. THORSON: I do not think its function is to pass upon value or otherwise of a particular announcement coming from a department.

Mr. COLDWELL: Is there any way in which the department or the government can give an opinion or express an opinion on the desirability or otherwise of programs? May I follow that up by this question: Has the department or government at any time asked for the discontinuance of any programs because of their unsuitability?

Hon. Mr. THORSON: No; the determination as to the value or otherwise of a publicity program is left to the department, because the independence of the departments in carrying out the functions of the department is the safeguard.

Mr. TRIPP: In other words, this committee does not review nor revise the matter sent in for broadcast?

Hon. Mr. THORSON: No.

Mr. COLDWELL: Nor express an opinion with regard to it?

Hon. Mr. THORSON: No.

Mr. GRAYDON: I think in the public mind generally the feeling is that when the Bureau of Information was set up it really was meant to be the coordinating bureau of all government information; I should like to know whether this interdepartmental committee is really taking some of the functions onto itself of the Bureau of Information. I should like to know just where the two of them stand.

Hon. Mr. THORSON: No, the Bureau of Information—

Mr. BERTRAND: We are now outside our terms of reference.

Hon. Mr. THORSON: Excepting in regard to the question as to how the Canadian Broadcasting Corporation can best serve in the field of information.

Mr. GRAYDON: It is quite relevant.

Hon. Mr. THORSON: So it is relevant from that point of view. The Bureau of Public Information has its representatives on this interdepartmental committee which sits for the purpose of promoting public information, avoiding duplication of effort and discussing the advisability of certain kinds of publicity. One function, for instance, that the committee performs and performs under the functions of order in council is this: If the department has any kind of intensive publicity campaign—suppose it is the Department of Finance or the Wartime Prices and Trade Board, or the Department of Munitions and Supply—it brings its suggestions with regard to that campaign to the attention of this committee. This committee advises as to the spacing of the campaign so that there shall not be a number of campaigns running in the same paper, for example on the same day.

Mr. GRAYDON: In order to avoid conflict?

Hon. Mr. THORSON: Yes; the spacing of the time, and discussion of the media.

The CHAIRMAN: Not the material?

Hon. Mr. THORSON: Not the material, no. That committee then tenders its advice to the department on those two matters, spacing and media. The department is, of course, the master of its publicity campaign. Most of these campaigns are run with the assistance and under the supervision of a special committee that was set up, as in the War Loan campaign.

The CHAIRMAN: Is there no provision made for any clearing house for this information and what is there to prevent duplication?

Hon. Mr. THORSON: The committee, in its advisory capacity, is very helpful, because it can point out to the department what other publicity campaigns are either in the course of progress or in the offing, and in that way assist coordination.

Mr. CLAXTON: May I ask the Minister this. Assuming that the Wartime Prices and Trade Board decide to have an educational campaign and to use the radio for that purpose, does it go to the interdepartmental committee to discuss the time and general nature of the programme or does it go directly to the C.B.C. in order to work that out?

Hon. Mr. THORSON: With regard to a publicity campaign, it is required by the order in council to place its proposals before this committee. The committee is advisory only. It cannot say to the Wartime Prices and Trade Board, "No." Each department has control over the manner in which it will carry its policies into effect, and the agencies that it will use. The integrity of the department is maintained; and if the department concerned thinks that the advice of the interdepartmental committee is good, it will follow it. If it does not think it is good, it will not. The committee has been useful in the spacing of campaigns. It does not determine the content or the nature.

The CHAIRMAN: It is advisory only as to time and to media?

Hon. Mr. THORSON: Advisory as to time and media.

Mr. GRAYDON: May I suggest to the Minister—and I suggest it in a perfectly friendly way—that I think this whole setup with regard to the transfer of news from government departments to the Canadian Broadcasting Corporation needs an immediate re-vamping. I agree with the Minister, and I am glad to hear him say that there is an interdepartmental advisory committee on this. I think that, however, is only a step towards an objective, because I cannot conceive of how this system that is presently employed can lead to anything but ultimate chaos with regard to the question of relations of the government with the Canadian Broadcasting Corporation; because I know the government must be anxious to see to it that the Canadian Broadcasting Corporation does not become an agency of government.

Hon. Mr. THORSON: Quite.

Mr. GRAYDON: That is part and parcel of the set-up of the corporation.

Hon. Mr. THORSON: Very definitely.

Mr. GRAYDON: But it seems to me that, with every department in the government having a chance to go over to the broadcasting corporation and deal with these things, and with nothing more than an advisory committee which has no power whatsoever to change it other than to make certain regulations, if there is one single thing that should be done in connection with government information, it should be channelized or canalized or whatever the word is, into some governmental body such as the Bureau of Information, if you like, or call it whatever you may. But I think it is very essential that the Minister take that into consideration at once; because as I hear the Minister's explanation, it certainly does not satisfy me that it is a satisfactory, business-like way of handling governmental information.

Hon. Mr. THORSON: May I put, shall I say, the philosophy that governed our decision in the matter, which was arrived at after very careful consideration and deliberation. I think I can put it in one sentence. In my opinion it is more effective to promote the coordination of public information by cooperation than by regimentation. I think I can put the philosophy of it in that one sentence.

Mr. GRAYDON: Surely no one ever suggested regimentation of information?

Hon. Mr. THORSON: Well, I mean that word "coordinate" very frequently carries with it the connotation of regimentation. We have proceeded on the basis that we can better promote coordination of public information, which is a very difficult and intricate matter, by getting all the agencies that are concerned with public information together, cooperating with one another, discussing their problems with one another, each respecting the integrity of the other. We believe we can make better progress in that way than by trying to run everything through one channel. That is a definite and deliberate policy.

Mr. GRAYDON: Yes. But I think the Minister has missed my point. I am quite in agreement with him in what he says with regard to the philosophy of this. On the other hand, that is not the point that is relevant to the issue that we are now discussing, which is the question of the broadcasting corporation down here not having any governmental clearing house for information coming from the government departments. That has nothing to do with the question of regimentation.

Hon. Mr. THORSON: No. But I stated some time ago that I thought the situation could possibly be improved so far as the Canadian Broadcasting Corporation is concerned. But in respect of the facilities which the Canadian Broadcasting Corporation of its own motion and without any compulsion being exercised upon it or without suggesting any compulsion, puts at the disposal of the country, it seems to me that the Canadian Broadcasting Corporation is the best judge of how it shall act in the matter. It has been exceed-

ingly generous in placing its facilities, and I want to stress that the facilities are the facilities of the independent Canadian Broadcasting Corporation.

Mr. BERTRAND: It would destroy the independence of the broadcasting corporation.

Hon. Mr. THORSON: Yes. These facilities are the facilities of the Canadian Broadcasting Corporation. It has been meeting a very difficult situation, and a situation that is continuously full of complications. There is always the need for improvisation and adjustment of programs. If Mr. Graydon can suggest some way in which there can be an improvement and a better utilization of the air—that is, with regard to times and so on—I would be very glad to get those suggestions specifically. There has been, I think, very substantial progress made in meeting the difficulties that have been occasioned by these emergency programs of one kind and another through the presence of Mr. Peter Aylen on this committee. It gives him a knowledge of the whole publicity set-up of all the departments of government. That has been very helpful. Perhaps we might have a similar person for the French network, a liaison officer. I hope you will make specific suggestions.

Mr. GRAYDON: I think this committee in its report, after it has heard the evidence generally, will be in a position to give specific suggestions.

Hon. Mr. THORSON: I would welcome that.

Mr. HANSON: Mr. Chairman, it is one o'clock.

Mr. ISNOR: Just before we adjourn, I would like to have an answer to this question—it will only take about one minute: could the Minister tell us when the last meeting of that interdepartmental committee was held and how many were present?

Hon. Mr. THORSON: I will ask my associate deputy, Mr. Justice Davis, to answer that for you.

Mr. Justice DAVIS: The last meeting was yesterday afternoon and there were about twelve present.

Mr. ISNOR: Were all the departments represented there?

Mr. Justice DAVIS: No, sir; generally, they are all represented there.

Mr. ISNOR: I understood you to say that there were twelve there; how many departments were represented?

Mr. Justice DAVIS: I should judge there were fifteen or twenty. There is Public Information itself; there is the Department of Munitions and Supply; there is the Wartime Prices and Trade Board; there is the National War Finance Committee; there is the Department of Labour; there is the Canadian Broadcasting Corporation; there is the National Film Board; the Department of National Defence (all three of them); and then there is External Affairs; and Collective Services—that is represented by Public Information; and, oh yes, there is the Foreign Exchange Control Board.

Mr. COLDWELL: The Department of Labour, did you say?

Mr. Justice DAVIS: Yes.

Mr. COLDWELL: How about Agriculture?

Mr. Justice DAVIS: Agriculture is not. Trade and Commerce is not.

Hon. Mr. THORSON: These are the war departments.

Mr. Justice DAVIS: This is the public relations section that has been created since the war started.

Mr. GRAYDON: I think that Agriculture is about as important a war department as any that we have.

Mr. Justice DAVIS: Whenever Agriculture is concerned it is represented.

The committee adjourned at 1.07 o'clock p.m. to meet again to-morrow, May 14, 1942, at 11.30 o'clock a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

THURSDAY, MAY 14, 1942

WITNESS:

Mr. René Morin, Chairman of the Board of Governors,
Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

ROOM 429, THURSDAY, May 14, 1942.

The Special Committee on Radio Broadcasting met this day at 11.30 o'clock, in Room 429, Dr. McCann, the Chairman, presiding.

Members present: Mrs. Casselman (*Edmonton East*), Claxton, Coldwell, Douglas (*Queens*), Fournier, (*Maisonneuve Rosemont*), Graydon, Hanson (*Skeena*), Hazen, Isnor, Hansell, McCann, Mullins, Rennie, Ross (*St. Paul's*), Telford, Thorson, Tripp and Veniot. (18).

In attendance: From the *Canadian Broadcasting Corporation*: M. René Morin, Chairman, Montreal, Que.; Major W. E. Gladstone Murray, General Manager; Dr. Augustin Frigon, Assistant General Manager; Mr. Donald Manson, Chief Executive Assistant; Mr. E. L. Bushnell, General Supervisor of Programs; Mr. J. R. Radford, Supervisor of Station Relations; Miss V. B. Belcourt, Public Relations Officer; Mr. W. H. Brodie, Supervisor of Broadcast Language; Captain W. O. Findlay, Executive Assistant; E. H. Charleson, Ottawa, Ont.

From the *National War Services*: Mr. Justice T. C. Davis.

Mr. Graydon expressed anew his desire to have before the Committee the Minutes of Proceedings of the Board of Governors of the Canadian Broadcasting Corporation. Mr. Coldwell voiced similar views.

Mr. Graydon therefore moved, seconded by Mr. Coldwell,—That the minutes of proceedings of the Board of Governors of the Canadian Broadcasting Corporation, from the inception of the new corporation in 1936 to date, be produced for the purpose of inspection by the members of this Committee.

A discussion followed.

Mr. Claxton referred at length to the proceedings of the Parliamentary Committee in 1938 and 1939 and to its decisions in connection with this matter of minutes. He believed that these should not be made available to the Committee and he gave his reasons.

A further discussion took place and Mr. Morin, Chairman of the Board of Governors, was called.

Mr. Hanson (*Skeena*) asked the witness whether it would be in the public interest to disclose the minutes.

Mr. Morin replied that like Mr. L. Brockington, former Chairman of the Board, he believed that the members of the Committee could obtain all the information desired without the production of the minutes.

After further discussion, the question was put on the motion and it was resolved in the negative.

Mr. Morin proceeded with his statement and was examined, being assisted by Mr. Donald Manson, Chief Executive Assistant.

It was agreed that witnesses should be allowed to complete their statements and that subsequently questions could be asked.

The Committee approved a suggestion of Mr. Claxton to the effect that the information enumerated hereafter be tabled and incorporated in the minutes of proceedings at the next sitting.

1. Names of the members of the Board of Governors of the C.B.C., the date of their appointment, reappointment and withdrawal.
2. List of all stations in Canada showing their call-letters, location, owners, wave-lengths, authorized and utilized power, authorized and actual hours of operation and changes from 1936 to date.

On the suggestion of Mr. Coldwell, rate cards, indicating tariffs and charges, were also ordered supplied and incorporated in the minutes of the next meeting.

At this stage, Mr. Graydon quoted from Parliamentary Papers No. 124-A which were tabled in the House on Friday, December 6, 1940, referring in particular to a report which dealt with the organization and personnel of the Canadian Broadcasting Corporation. He read a letter of the late Mr. Allan B. Plaunt to Honourable C. D. Howe, then Minister of Transport, under the date of August 30, 1940.

Mr. Morin was heard in reply. He filed a copy of his letter to Mr. Howe dated November 26, 1940, pertaining to the question raised in the above-mentioned report.

A further discussion took place.

Mr. Coldwell referred at some length to the By-Laws and Regulations of the Canadian Broadcasting Corporation, 1936, and to the amendments thereof.

The Committee agreed to have Mr. Morin again at the next meeting, when his examination will begin on his return from Montreal at 11.30 o'clock.

At 1.45 p.m. the Committee adjourned until Tuesday, May 19, in Room 429, at 10.30 a.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

MAY 14, 1942.

The Select Committee on Radio Broadcasting met this day at 11.30 o'clock a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order. Ladies and gentlemen. We have a quorum. We will proceed. Are there any further questions that any member of the committee wishes to ask the minister before we proceed with the next witness?

Mr. GRAYDON: We can ask the minister questions as we go along. There is one thing I should like to bring up before Mr. Morin begins his statement. I think that now is the appropriate time for the committee to deal with the question of production of the minutes of the meetings of the Board of Governors of the Canadian Broadcasting Corporation. I fancy it will be of great assistance to the members of the committee were these minutes available at the same time that Mr. Morin gives his evidence, because in those minutes, of course, would appear the policy which has been adopted by the Board of Governors. I think that the committee ought to deal with that, and I think they should be produced.

Mr. COLDWELL: I think what Mr. Graydon says is correct. I think it will be very, very difficult to follow through some of the evidence that may be given without having access to the minutes and particularly the minutes regarding the changes in the set-up of the corporation which took place on March 24, 1941. I believe that the committee will have to have the minutes in order to see why these very fundamental changes were made in the set-up of the organization, particularly in view of the recommendations of previous parliamentary committees.

The CHAIRMAN: There is no motion before the chair.

Mr. GRAYDON: I should like to move that the minutes of the Board of Governors of the Canadian Broadcasting Corporation covering the period from the inception of the new corporation in 1936 to date be produced for the purpose of inspection by this committee.

Mr. COLDWELL: I will second that.

The CHAIRMAN: You have heard the motion, gentlemen and Mrs. Casselman, is there any discussion?

Mr. VENIOT: Would that mean these minutes would be incorporated in the printed report and the public have access to them?

The CHAIRMAN: I do not think so.

Mr. COLDWELL: That would be a matter for the committee to decide.

Mr. VENIOT: It might have some importance that the minutes should not be made accessible to the public.

Mr. GRAYDON: I think there is a lot in that.

Mr. COLDWELL: I agree with that.

Mr. GRAYDON: We should not embarrass the Board of Governors. That is not the object of this. I think the committee ought to have as a background for the policy which will be discussed, the minutes that actually were the foundation of that policy. I believe in many cases the public perhaps would not be interested, and I certainly would be the last one to embarrass the Board of Governors or the minister or the management, but I believe we should have them.

Mr. ISNOR: Do I understand the motion is that the minutes be tabled here for our information?

Mr. GRAYDON: "Inspection by the committee" are the words I used.

Mr. CLAXTON: Mr. Chairman, if I may speak to the motion, may I say that the motion involves a very important question of principle. I think everyone here desires doing everything they can to improve the operation of the Canadian Broadcasting Corporation in every way possible. That, I take it, is the purpose of the committee. I believe every member of the committee would like to see that done. As Mr. Graydon has just said he does not want to do anything that would hurt the activities of the corporation. I think here we have to consider what the effect of the production of those minutes would be, not only on the deliberations of this committee, but on the future conduct of the corporation and also what the effect of that would be on other government autonomous bodies such as the Canadian National Railways and subsidiaries and even the Bank of Canada.

This question is not a new one to come before committees on radio broadcasting of this house. I think honourable members are aware of the fact that in the committee which was set up in 1938 almost exactly the same motion was moved on the 24th of March. May I read from the Minutes of Proceedings which precede the Minutes of Evidence of that date:—

Hon. Mr. Lawson moved,—That the minutes of the meeting of the Board of Governors of the Canadian Broadcasting Corporation be filed with the clerk of the committee and that they be made available to the members of the committee.

Discussion followed.

On the question being put, the Chairman declared the motion lost.

The names being called for, they were taken down as follows:—

Yeas: Messrs. Lawson, Barber—2.

Nays: Messrs. Ahearn, Bertrand (*Laurier*), Dupuis, Factor, Hamilton, Howe, Johnston (*Bow River*), MacKenzie (*Neepawa*), Turgeon—9.

The Chairman declared the motion passed in the negative.

The question came up again in the committee which sat in 1939; but on that occasion it came up in a very much more limited form. There Mr. Lawson moved, on the 7th of March, 1939:—

That Mr. Brockington bring before the committee excerpts of any minutes of the Board of Governors of the Canadian Broadcasting Corporation relating to prohibiting the broadcasting of sponsored opinions over its own network.

There the motion was limited to the minutes of one specific thing.

Mr. GRAYDON: The committee deliberations were on one specific thing on that occasion.

Mr. CLAXTON: Then Mr. Factor moved an amendment in the following words:—

That the question of producing excerpts from the minutes of the Board of Governors of the Canadian Broadcasting Corporation be left in abeyance until considered by Mr. Brockington and the other members of the Board of Governors.

After some further discussion the amendment was withdrawn by leave of the committee.

On the question being put, the Chairman declared the motion of Mr. Lawson lost.

Mr. Lawson called for a recorded vote and the names were called and taken down as follows:—

Yeas: Messrs. Factor, Lawson, MacMillan, Stevens, Thompson—5.

Nays: Messrs. Hamilton, Isnor, MacKenzie (*Neepawa*), Martin, Ross (*Moose Jaw*), Turgeon, Woodsworth—7.

The motion was negatived.

I do not suggest that this committee, being a committee of Parliament, should be nebulously bound by precedents established, but I think we should not disturb them if we find the reasons which were advanced in support of the action taken in those two years, 1938 and 1939, are reasons which appeal to us equally to-day, and which will appeal equally to-day as they did then.

As you look at the discussion in the proceedings you will see pretty much all the arguments which can be made on the point are made there. Mr. Turgeon speaking at page 17 in the proceedings of March 24, 1938, said:—

But if I wished to destroy that which parliament has set up, if I wished to make it impossible for government ownership and government control of radio operations to continue, I would ask, as the member was asking—I do not mean that that was his intention—but I would ask and press for the production before a parliamentary committee of all the minutes of the meetings held by the Board of Governors. If we did that, Mr. Chairman, I say that before one session of parliament was completed we would have the destruction not only of the corporation, but we would have the resignation of the Board of Governors, without question.

He goes on, a little further, to say:—

You would have the ruination of the very thing that parliament tried to produce, government control of radio.

Then a little further on he says:—

... to consider what is implied and what must necessarily result from the production of the minutes of the Board of Governors. Just look back and see the crippling effect that that will have upon the meetings of the Board of Governors if they cannot discuss the problems that come up and reach conclusions, thinking only of the successful operation of radio in Canada, without having lurking in the mind of each individual governor the fact that whatever he says to-day or whatever he may propose to do is going to be discussed openly by members of parliament.

And then, on page 18, Mr. Howe says:

It is not the purpose of this committee to change the relationship between parliament and the Canadian Broadcasting Corporation. The Canadian Broadcasting Corporation, as constituted by Act of parliament, have full autonomy.

A little further on he says:—

... they are purely private documents, and I think the government must insist that that privacy be respected.

On page 19 Mr. Factor says:—

... Mr. Lawson would be entitled to ask the chairman of the Board of Governors, or any member of the board, as to their view upon the policy decided. But to file with this committee and make public property the private business of the corporation is beyond all precedent.

A little further on he says:—

Naturally, if we are going to lay on the table of the house all the minutes of the Board of Governors, the privately owned stations would be more than happy to get some of the information contained in those documents.

On page 20, Mr. Bertrand says:—

Mr. Chairman, my hon. friend either wants to know something or he wants to go fishing—one of the two. If he wants to know something in particular, a witness might be called from whom he could get the necessary information.

Mr. Factor repeats his argument and then points to the parallel which exists between the C.N.R. and the Canadian Broadcasting Corporation. He goes on to say:—

That board, before parliamentary committees, has always refused to lay on the table of the committee private and confidential minutes of the board of directors, for the simple reason that there is a competing concern which would very much like to get some of the information concerning the internal management of the railroad. Furthermore, it is unthinkable to have a condition arise whereby the public will receive information as to the internal management of this commission, an independent body created by parliament as such. That information would be available to competing concerns.

In the proceedings of 1939 much the same arguments were repeated. Mr. Woodsworth makes a very forcible argument on the ground of autonomy of the corporation, and other members took part at that time. On that occasion the motion was directed to the minutes relating to one specific thing, and that motion was rejected by the majority of the committee. It seems to me that it must be realized by all of us that this is not an ordinary government department. This corporation has been set up by Act of parliament to do a business which is so vital in the national interest. If it was considered desirable to set up a separate corporation to do that and give it power to carry on the ordinary business relating to radio broadcasting I think it is vital that it be free to do what they see fit in the public interest. If the board did not do that then I suggest it is for the government to dismiss the board. But I suggest as long as the board is set up with regard to matters of interior management it would not be in the public interest to require them to submit all their minutes to this body. Just think of what that would mean. It would mean that when the governors met from time to time their deliberations would have to be carried on with a view to their possible ventilation before this committee or some other body.

If the minutes could be produced here they could easily be produced in parliament; and it is well known that the government has always taken the stand that parliament should not have either the minutes or the details of particular transactions. Just think of what it would mean from the point of view of competition. This corporation is broadcasting in Canada over a national network and its own stations. Simultaneously there is broadcasting in Canada a very large number of private stations; and while in many ways they co-operate and their relations are exceedingly good, still it cannot be gainsaid that they do compete in many respects, and to permit the minutes to become available is to make available to broadcasting stations every proceeding of the board without the corporation having the reciprocal right to have the minutes of the private broadcasting stations. That brings me to the analogy with the C.N.R. The C.N.R. is in almost the exact position of this corporation with regard to the parliament of Canada, the public of Canada, and the privately-owned railways operating in Canada. It is well known that before the Railway Committee and other committees of this house the minutes of the directors of the Canadian National Railways have not been asked for or if asked for have been always refused. Similarly with regard to the Bank of Canada, its minutes have not been asked for by the Banking and Commerce Committee or any other committee of this house. I suggest that

the analogy is complete at least with the Canadian National Railways and partially complete with regard to the Bank of Canada. I ask you to consider this from the point of view of the Board of Governors so as to ensure that the minutes, if made available, would not hurt the corporation in any way or would not provide anyone in competition with the corporation with anything which would cramp the activities of the board.

If these minutes are filed I would not be surprised if it would almost lead inevitably to the board not recording in the minutes many of the things which would ordinarily be recorded.

I do not know what is in the minutes; I do not suppose there is anything in the minutes which any one of us should not see. On the other hand I do believe that there is an important question of public policy involving the relationship of the corporation to the parliament which created it and to the people of Canada and to its job, a national instrument of national broadcasting in Canada which is of the utmost importance to-day.

I hope the committee will not pass this resolution; but if as matters arise later the chairman of the board or somebody else refers to some portion of them, then we can consider with regard to any particular point whether or not the minutes applicable to that point should be brought forward. To have the whole minutes spread before this committee would make them as we know instantly available to anyone in Canada. That, I suggest, is not in the interests of the corporation and is not essential to the proper work of this committee.

The CHAIRMAN: Is there any further discussion, or are you ready for the question?

Mr. COLDWELL: Before the question is put I would say in reply to Mr. Claxton that because I want to see the corporation preserved as a national corporation I would like to see some of the minutes relating to decisions that have been made by the board. I have expressed my alarm in the House of Commons on several occasions at the trends that are apparent in some of the decisions of the board. I refer particularly, of course, to the fact that parliament laid down by statute that there should be a general manager; and to-day you have divided authority in the corporation which wrecked the activities of the former Broadcasting Commission. Personally I should like to see the minutes which led up to these decisions and the passing of the by-laws of March 24, 1941. I should also like to see the minutes regarding the attempt of the board to set aside the recommendations of the parliamentary committee on political broadcasting prior to the 1940 elections to see on what grounds they have refused to carry out the recommendations of the committee that these should be extended to provincial legislatures. We have had three provincial elections since and that recommendation incorporated in the report of the committee was not carried out.

Then I should like to know just what the business of the board has been. Has it been business relating to the policies of the board, programs and so on, or merely the distribution of wave-lengths over the last year or so, the increase of power, use of channels and so on? Again I say I am alarmed over the tendency which seems to be to build up a private chain of broadcasting stations with power that was never intended originally. I believe in order to get this picture clear in my mind and to be able to discuss the matter intelligently that we should have access to the minutes.

I quite agree with Mr. Claxton that only in exceptional circumstances perhaps should a committee ask for and expect to receive the minutes; but in view of what has transpired in the last two or three years, and which I think we have to inquire into, I think we cannot get a proper picture of what is going on in the management of the corporation without some access to the minutes; and I hope the committee, if it does not feel that it can support the motion to give access to all the minutes, it will at least allow members of the committee to examine

the minutes of the corporation in relation to these matters which, I believe, are of vital concern to this committee.

Mr. GRAYDON: Mr. Chairman, Mr. Claxton has drawn an analogy between the operations under the statute of the Canadian National Railways and the Canadian Broadcasting Corporation. In some respects they are analogous, but in this particular case which we are discussing, one of the reasons which I think may be advanced in favour of having the minutes available at least to the inspection of the members of the committee is the fact that ever since 1939 repeatedly we have asked in the House of Commons for a committee such as we have now to be set up. Since 1939 two years have intervened and no committee has been set up by the government to deal with the question of the Canadian Broadcasting Corporation. I believe in these two years more important decisions have been made with respect to the management and the general administration of the corporation than have been made in any other previous time. With regard to the Canadian National Railways it becomes almost an automatic thing every year to establish the Committee on Railways and Shipping and that committee goes in great detail into the operations of the government-controlled corporation, the Canadian National Railways. But in this particular instance, for some reason or other which has never been apparent to me, the government has declined to set up the Canadian broadcasting committee or a radio committee such as we have now. I believe there is in the public mind some apprehension with respect to what has been going on during that time. During that period, as Mr. Coldwell has pointed out, one of the Board of Governors resigned from the board and considerable publicity went out all over Canada. He gave reasons for his resignation, and the reasons for the resignation were reflections upon the work of the management and the Board of Governors generally. It seems to me that the analogy between the Canadian National Railways position and that of the Broadcasting Corporation is not quite a true one, because after all we have never seemingly treated the two corporations in the same regard with respect to investigations by parliament committees during those years. I think that surely cannot be any reason why this committee should not at least have in its possession sufficient information as to the workings of the Board of Governors that will enable it to deal intelligently with the foundations of the policy which the Board of Governors from time to time have enunciated.

I quite agree with Mr. Claxton with respect to the question of secrecy and the question of the Board of Governors being an independent body. I think surely this committee can at least get the information that is required, as I have suggested, without impairing the position of the Board of Governors in any way, shape, or form. I think we are all in agreement as a committee that nothing must be done to impair the efficiency of the Board of Governors and the manner in which it is set up; but I do think we are going a long way if this committee decides we are not to have access to the minutes which actually form the foundations of the policy which we are now attempting to discuss in this committee. I would ask the committee to consider seriously that whole question in view of the fact we have not a committee investigating as we have with the other corporation, and that we are not in the same position at all in connection with this investigating committee as we are in connection with the Railway Committee.

Hon. Mr. THORSON: Mr. Chairman, the question involved in Mr. Graydon's motion is a very important one. It has been debated in previous committees. The arguments for and against the production of minutes were put forward by previous committees and previous committees have ruled that the minutes are not to be produced even to members of the committee. I do not think I can add very much to the argument put forward by Mr. Claxton. He has, I think, summarized the reasons given in previous committees for not producing the

minutes. These reasons are just as strong, just as important to-day, as they were when they were advanced to the previous committees which decided against the production of the minutes. No case has been put forward for departing from the stand that was then taken. I would not wish to base my opposition to the production of the minutes on the ground of precedents, for each committee is charged with its particular reference.

Uniformly the Canadian National Railways have taken the position that its minutes ought not to be produced and they have never been produced.

Mr. HANSON: They have never been asked for.

Hon. Mr. THORSON: Parliamentary committees have never asked the Canadian National Railways to produce their minutes, according to Mr. Hanson; and the reasons in that connection are quite obvious.

The Canadian National Railways are a publicly-owned corporation, but they are in competition with other corporations; and it seems to require no argument at all to take the view that the minutes of such an organization ought not to be exposed to public view. I believe it would be indefensible to ask the Bank of Canada to produce its minutes to any parliamentary committee or to any body. The same considerations apply to the Canadian Broadcasting Corporation. I should like to stress again what I tried to stress yesterday, that the Canadian Broadcasting Corporation is an independent corporation within the terms of its statute and subject to public control under the minister only to the extent that the statute so states; otherwise it is completely free and independent. It has the right to formulate its own policy; it has the right to state its aims and the means that it should take to expand those aims. An independent board of governors is created for the purpose of governing the affairs of the corporation. The board meets; it is essential that the members of the board should meet under such circumstances as will provide for the utmost freedom on their part of discussion and determination of policy, knowing that their deliberations are their own exclusive independent deliberations, and will not be subject to any outside inquiry when the motives of that inquiry might or might not be by way of aid to the corporation. I would not put the case for the privacy of the deliberations of the members of the board on the ground of secrecy. That is not the proper ground. That connotes they might have something to hide; it should be put on a much broader ground; namely, that there should be the utmost freedom of exchange of views and there could not be that free exchange of views if it is known that all their deliberations may be the subject of political controversy.

If members of the board were to sit at meetings of the board knowing that their deliberations would become the subject of political controversy, that would have a crippling effect on the independence of the board. They would not be able to engage in that free exchange of opinion that is essential to the careful management of the affairs of the corporation.

The internal management of the corporation lies with the Board of Governors. The maintenance of that is essential to the integrity of the board as an independent national instrument. I should like to repeat the views of my predecessor, Mr. Howe, that the interests of complete autonomy require that the deliberations of the board should be confidential in their nature, not subject to public scrutiny; that the minutes are private documents of the corporation.

I believe it is desirable that the minutes should be recorded as fully as possible. The minutes belong to the corporation; they do not belong to anybody else.

May I mention one other point aside from the integrity of the corporation and the autonomy of the corporation, and that is the safeguarding of the position of the Canadian Broadcasting Corporation as against its competitors. I think it would be grossly unfair to the Canadian Broadcasting Corporation to disclose its deliberations to the public and make them known to

competitors of the corporation who may or may not be friendly to the corporation. This country has seen a battle between public ownership of radio and private interests that are concerned with radio. Are we going to give the private interests an advantage over the publicly-owned corporation by exposing to the private stations the deliberations of the publicly-owned corporation? Do you think for a moment that the privately-owned stations would expose their minutes to the view of the Canadian Broadcasting Corporation? Then why put our corporation in a disadvantageous position vis-a-vis its competitor? These two grounds, I think, are powerful grounds. They were presented by previous committees. They have been presented again by Mr. Claxton. Mr. Coldwell has mentioned certain matters. He has mentioned a change of by-laws relating to the status of the general manager; he has mentioned the subject of political broadcasting. He has referred to the business of the corporation. These are all properly subjects of inquiry by this committee. I hope the committee will make inquiry into these matters, but it is not necessary to that inquiry that we should have the minutes of the corporation exposed to the committee, when the taking of that act would do two things: destroy the independent autonomy of the Board of Governors, and give the private broadcasting stations an advantage over the publicly-owned corporation that they ought not to have. I for one am very strongly opposed to the motion made by Mr. Graydon and I hope that this committee will defeat it decisively.

Mr. HANSON: Mr. Chairman, before the motion is put would it be possible to have the chairman of the Board of Governors give expression to his views with regard to the motion made by Mr. Graydon?

The CHAIRMAN: No, he is not a member of this committee, and this is a matter for discussion by members of the committee.

Mr. ISNOR: We can ask him whether or not he has any information with regard to it or not.

Mr. HANSON: I know other committees asked the president of the Canadian National Railways and other corporations questions along that line and they have told us that it was not in the public interest to disclose such matters. I should like to ask the chairman that question.

The CHAIRMAN: It is quite within your power to ask the chairman of the Board of Governors that question; but he has not any status to take part in the discussion on the motion.

Mr. HANSON: You might ask him whether it would be in the public interest to disclose those minutes.

The CHAIRMAN: Do you wish to ask Mr. Morin that question?

Mr. HANSELL: Before that question is asked may I say there might be a disadvantage in asking that. If the general manager says it is not in the public interest we might want the minutes produced. If he says it is in the public interest perhaps we would not want to have the minutes disclosed then. That is my psychological reaction to a question of that kind.

The CHAIRMAN: You have no objection, Mr. Morin? You wish to answer the question that has been put by Mr. Hanson?

Mr. MORIN: The matter has been discussed at length by previous committees. The chairman at that time, Mr. Brockington, took a stand, which was confirmed by the board, and I see no reason why any change should be made with regard to the policy which was then adopted. I believe the members of the committee may get all the information they want without asking us to produce our minutes before the committee.

The CHAIRMAN: Is there any further discussion? I should like to ask Mr. Morin if a copy of the minutes of the Board of Governors is filed with the minister.

Mr. MORIN: I do not think so.

The CHAIRMAN: Has there been any change in policy in that regard from that which was laid down by the committee some years ago?

Hon. Mr. THORSON: Minutes are filed in my department.

The CHAIRMAN: Mr. Howe, in the committee of 1938, said that a copy was filed with him.

Mr. COLDWELL: Yes, he said that.

Hon. Mr. THORSON: I am informed that the minutes are sent to me as minister.

Mr. GRAYDON: If this is an autonomous corporation, and these minutes are so carefully guarded, why are they filed with the minister? It is very difficult to see the distinction which is drawn there, when the minutes of the Board of Governors of the Broadcasting Corporation are filed with the minister. Apparently a copy of these minutes is filed with the appropriate minister of the Crown and still the parliamentary committee which is investigating the very subject of those minutes has not got access to them. Now, either this is an autonomous corporation or it is not. I cannot see why the minister should have any special access to the minutes of an autonomous corporation, if it actually is autonomous, any more than at least the members of the committee who are investigating that particular corporation.

Hon. Mr. THORSON: The minister has a statutory responsibility. The minister has power to make submissions to council. The reasons that might govern the minister in making his submissions to council or discussions before council are not producible; but it might possibly be desirable for the minister to have extracts from the minutes in order to enable him to discharge his statutory duties. Sometimes the minutes are required for that purpose.

Mr. GRAYDON: All of them are filed, I understand.

Mr. COLDWELL: The minister holds it is an autonomous body?

Hon. Mr. THORSON: Yes.

Mr. COLDWELL: Is there an opinion extant that was asked for by the corporation from our legal department to the effect it is an emanation of the Crown?

Hon. Mr. THORSON: Yes, an emanation from the Crown.

Mr. COLDWELL: May I give a concrete example? The employees of the corporation are not given the opportunity to organize, which they would have if they were an autonomous body and on all fours with the Canadian National Railways. If this corporation were on all fours with the Canadian National Railways they would have every right to organize. Now, you cannot have it both ways. It is one or the other. I should like to know precisely where we stand so that we can come to a decision.

Hon. Mr. THORSON: The argument that Mr. Coldwell is making touches on another point. The opinion that he refers to was to the effect that the corporation could not sign an agreement.

Mr. COLDWELL: The Canadian National Railways sign an agreement.

Hon. Mr. THORSON: Yes, but the Canadian Broadcasting Corporation being an emanation of the Crown cannot sign.

Mr. COLDWELL: An emanation of the Crown. Has not this committee the right to go into all details of the emanation of the Crown?

Hon. Mr. THORSON: The analogy between the Canadian Broadcasting Corporation and the Canadian National Railways may not be exactly 100 per cent the same. But basically the independence of the two corporations is recognized, although the analogy may not be in all its details exactly the same.

Mr. COLDWELL: If the analogy is not the same then the argument that we do not—

Hon. Mr. THORSON: Not 100 per cent the same.

Mr. COLDWELL: —demand the minutes of the Canadian National Railways falls to the ground.

Hon. Mr. THORSON: Not from the point of view of the principle involved, although the analogy in all its detail may not be exactly the same.

The CHAIRMAN: Is there any further discussion?

Mr. VENIOT: I am in perfect agreement with the argument advanced by Mr. Claxton and the minister, and I should like to make this statement; namely, that we have here with us the general manager of the Radio Corporation. I think the committee would agree to have him give a synopsis of the reasons which led up to the adoption of the various policies adopted by the corporation, without mentioning all the arguments used in the minutes and without naming the persons advancing those arguments. That, at least, would give us the information required on the various points which Mr. Coldwell and others would like to have elucidated. I think as far as the majority is concerned that would be perfectly satisfactory to the public as long as we know the reasons which led up to the adoption of those policies, without naming the individuals who took part in the discussion. I think that would be perfectly satisfactory to the committee.

The CHAIRMAN: That course may be taken when the general manager is on the stand.

Mr. GRAYDON: I think Dr. Veniot means the chairman of the Board of Governors.

Mr. VENIOT: Yes.

The CHAIRMAN: He will be called very shortly.

Mr. VENIOT: We can obtain from him sufficient information to clear up the various points which have to be elucidated.

The CHAIRMAN: While I do not wish to attempt to influence the committee as to how it should vote on this motion, I would like to make this observation: the minutes of the Board of Governors are a record of the deliberations of the Board of Governors. Any conclusion which they reach becomes either a matter of policy or is incorporated in the by-laws. Those by-laws and declarations of policy are at all times available to the committee and also become a matter of public record.

Mr. HANSELL: May I ask this question? The minister has seen the minutes, and his manager is here. Are these minutes written up in such a fashion as to give any details of the discussion that is pursued on the motions, or are the minutes written up in such a way that all that appears is just the plain motion whether carried or defeated?

The CHAIRMAN: Well, perhaps that might be asked of the secretary. Are the minutes of the Board of Governors written in such a way that they give a verbatim record of all that took place?

Mr. HANSELL: Are there any comments?

Mr. DONALD MANSON: Yes, comments in addition to the resolutions passed. There is usually a description—

The CHAIRMAN: Are they a verbatim record of what happens?

Mr. MANSON: No.

Mr. HANSELL: You may have, for instance, something to this effect: Mr. So-and-so said so-and-so, and Mr. So-and-so said this, and as a result of those discussions—

Mr. MANSON: Yes.

The CHAIRMAN: That would be the comment of the secretary, probably written after the actual meeting.

Mr. MANSON: Yes.

Mr. COLDWELL: Will the secretary give his name, please?

Mr. MANSON: Mr. Donald Manson.

The CHAIRMAN: Are you ready for the question?

On the motion being put the chairman declared it lost.

Mr. COLDWELL: Would there be any objection to this: the members of the committee—not the press or anyone else—viewing the minutes relating to a particular matter which is under discussion?

The CHAIRMAN: I am not in a position to answer that question either affirmatively or negatively at the moment; but I think that is a matter which can be discussed at a later date. I would suggest that we proceed with Mr. Morin now. There will be time and opportunity to discuss that at a later date.

Mr. COLDWELL: That satisfies me.

The CHAIRMAN: Mr. Rene Morin, Chairman of the Board of Governors of the C.B.C. is with us to-day.

Mr. RENE MORIN, called.

The CHAIRMAN: Mr. Morin, it is the wish of the committee that you make a statement with reference to your position and the business of the Board of Governors, of which you are chairman.

The WITNESS: Mr. Chairman, madam and gentlemen:—

The last C.B.C. inquiry by a parliamentary committee took place in 1939.

Conscious of the duties with which they were entrusted and of their accomplishment, members of the board are delighted to again have the opportunity of submitting their record to the consideration of parliament.

May I preface my remarks by a reference to the first chairman of this board, Mr. L. W. Brockington, who so ably presided over its destinies during three years and who, with the aid and co-operation of his colleagues, gave it an impetus which met with the approval of parliament and of the public. At the expiration of his term of office, he unfortunately chose not to accept re-appointment but, as far as it was possible under war conditions, the policies enunciated by him on behalf of the board have been adhered to by his colleagues, who are pleased to acknowledge the debt of gratitude which they owe him.

In appearing before the 1939 select committee of the house, Mr. Brockington gave an admirable account of his stewardship and the members of this committee would be well advised to refer to his evidence for information on the basic policies of the board and on all matters respecting broadcasting which had taken place up to that time.

The 1939 committee ratified these policies and expressed their appreciation of the public-spirited manner in which the board of governors and the management were discharging their duties as trustees of the national interest in broadcasting, and were developing a broadcasting system of increasing service to the people of Canada.

Coverage

When the C.B.C. started its operations on November 1, 1936, the network which it inherited from the Canadian Radio Commission was serving less than 50 per cent of the population during an average of six hours per day. In 1939 the coverage had been extended to 76·5 per cent, but two 50,000-watt stations were then nearing completion, one in the maritimes and the other in the prairie provinces, and as soon as they went into operation the coverage was extended to 84·4 per cent of the population.

Ninety-six decimal one per cent of the radio homes of Canada are now provided with a 16-hour-per-day program service by the C.B.C. This expansion is due partly to the extension of the network and partly to the re-arrangement of broadcasting channels which followed the coming into force of the international agreement between the North American countries following the Havana convention, the calling of which was advocated by the C.B.C.

There are 74 privately-owned stations operating in the dominion and 54 of these, together with the 10 stations owned by the C.B.C., are linked together by wire lines to form the full C.B.C. national network.

Twenty-six of these private stations spread throughout the country are affiliated stations which regularly broadcast the main sustaining and commercial programs of the C.B.C. It is readily admitted that few of these stations could survive or give satisfactory service without their connection with the national system.

To extend and improve its coverage, the C.B.C. has:—

1. Rebuilt its 5,000-watt CBM station near Montreal;
2. Rebuilt and raised to 1,000 watts its CBY station at Toronto;
3. Decided to raise the power of its CBJ Chicoutimi station to 1,000 watts;
4. Built one 7½-kilowatt shortwave transmitter at Vercheres and erected two other shortwave stations, of 200 watts, one in Vercheres and the other in Vancouver, B.C.;

5. Proceeded to instal a repeater station at Revelstoke and a number of other repeater stations in the East Kootenay and Cariboo districts. In the latter case it had to spend \$50,000 for the construction of a telegraph line extending to the localities to be served;

6. Extended its wire line service to the following affiliated stations:

Sackville and Watrous stations, at an annual cost of.....	\$25,108 48
CKCA, Kenora, at an annual cost of.....	1,892 16
CKLN, Nelson, at an annual cost of.....	4,360 80
CHLT, Sherbrooke, at an annual cost of.....	8,170 32
CKRN, Rouyn, at an annual cost of.....	5,559 60
CHGB, Ste. Anne de la Pocatière, at an annual cost of.....	4,440 72
CKNB, Campbellton, at an annual cost of.....	10,208 08

May I point out this: quite recently we have decided to give service in British Columbia and the Abitibi regions by installing repeater stations in the East Kootenay district, the Cariboo district, and the Rouyn and Val d'Or districts. This represents an annual expenditure of \$66,099.74. That is a new expenditure which the board will have to face in its policy of extending its service and coverage to practically all the population of Canada.

Mr. HANSON: Will that take in northwest British Columbia?

The WITNESS: Yes.

Mr. ISNOR: That is a capital expenditure?

The WITNESS: No, that is not a capital expenditure. We had to spend \$50,000 to build an extension of the telegraph lines into the Cariboo district. That is a capital expenditure. The other is a sum we will have to pay each year, the cost of the wires to serve this district.

Mr. HANSON: The Cariboo district is 500 miles from the coast. Does that take in west of the Cariboo district or just the Cariboo district?

The WITNESS: Well, the locality that I am speaking of is at Revelstoke, at North Bend, British Columbia, and Edmundston, New Brunswick, Williams Lake, Wells, Quesnel and Prince George, Creston, Kimberley, Cranbrook, and Fernie, B.C.

Mr. GRAYDON: This repeater station in East Kootenay has not been erected yet?

The WITNESS: No.

[Mr. René Morin.]

The CHAIRMAN: Gentlemen, I suggest, in order that there may be some continuity to this statement which the witness is giving, that we avoid interruptions as much as possible until after he has made his statement. At that time we can ask whatever questions we like. I should like him to put his whole statement on the record with as little interruption as possible so that when you come to read it it will not be piecemeal but will be a continuous statement.

Mr. COLDWELL: I think if Mr. Morin reads his statement first and we question him afterwards it will be better.

The CHAIRMAN: Yes.

The WITNESS: I do not wish to say very much more on coverage. I feel the ground has been fully covered by the minister in his statement yesterday, except to point out that we are expanding our coverage as much as possible to serve the whole population of the country.

The corporation is further committed to establish low power stations at:—

Revelstoke, at North Bend, B.C., and Edmundston, N.B., at an annual cost of.....	\$ 2,907 24
Williams Lake, Wells, Quesnel and Prince George, B.C., at an annual cost of.....	13,670 90
Creston, Kimberley, Cranbrook, Fernie, B.C., at an annual cost of..	16,521 60
Rouyn and Val d'Or, at an annual cost of.....	33,000 00

Finances

The financial statements of the C.B.C. for the past four years may be summarized as follows:—

	Assets			(Estimated)
	1939	1940	1941	1942
Current:				
Cash in bank and on hand...	\$ 265,397 45	\$ 456,558 35	\$ 262,448 12	\$ 336,845 85
Accounts receivable.	142,128 47	198,888 31	273,777 17	313,821 84
Balance of licence fees.....	27,186 15	31,605 28	59,152 10	65,000 00
Investments. . . . .	....	506,722 23	500,000 00	501,165 83
Fixed:				
Real estate, buildings, equip- ment, studios, office furni- ture, etc.	1,074,998 78	1,380,558 08	1,302,506 40	1,098,159 88
Deferred assets.	35,885 46	40,486 77	55,009 02	66,300 41
Total.....	<u>\$1,545,596 31</u>	<u>\$2,614,818 97</u>	<u>\$2,452,992 81</u>	<u>\$2,381,273 81</u>

Liabilities

Current:				
Accounts payable.	\$ 106,590 73	\$ 221,823 24	\$ 240,252 76	\$ 269,187 90
Loans for capital works.....	450,000 00	1,150,000 00	786,159 40	503,398 77
Reserve for renewals, etc....	....	400,000 00	400,000 00	400,000 00
Capital surplus.	494,377 16	494,377 16	494,377 16	494,377 16
Operating surplus carried from previous year.....	137,174 21	94,628 42	348,618 57	532,203 49
Operating surplus.	357,454 21	253,990 15	183,584 92	182,106 49
Total.....	<u>\$1,545,596 31</u>	<u>\$2,614,818 97</u>	<u>\$2,452,992 81</u>	<u>\$2,381,273 81</u>

Income

Licence fees.	\$2,652,186 15	\$2,906,605 28	\$3,140,259 79	\$3,475,000 00
Commercial.	584,611 32	700,867 92	895,066 39	1,071,283 98
Subsidiary hookups.	57,068 77	72,653 97	44,647 60	....
Miscellaneous.	17,574 31	24,485 34	12,820 80	....
Grant (Royal visit).....	....	47,449 38	....	....
Total.....	<u>\$3,311,440 55</u>	<u>\$3,752,061 89</u>	<u>\$4,092,794 58</u>	<u>\$4,546,283 98</u>

Expenditures

	1939	1940	1941	(Estimated) 1942
Programs.	\$1,393,017 76	\$1,540,658 37	\$1,721,755 65	\$2,091,644 88
Station network.	588,306 27	685,308 68	725,969 74	745,000 00
Engineering.	481,122 48	610,582 14	746,154 01	834,557 05
General and administration..	139,827 06	162,939 72	179,120 43	175,842 29
Press and information.....	67,087 46	63,539 56	60,669 11	75,063 57
Interest on loans.....	16,906 67	23,837 13	32,071 01	24,562 34
Commercial.	77,909 18	108,119 99	97,805 11	91,807 77
Depreciation.	202,814 01	316,274 34	364,580 10	385,000 00
Less inventory of expendable stores.	13,004 55	13,088 19	18,915 20	59,300 41
Total.....	\$2,953,986 34	\$3,498,071 74	\$3,909,209 66	\$4,364,177 49
Surplus.	357,454 21	253,990 15	183,584 92	182,106 49
Grand total.	\$3,311,440 55	\$3,752,061 89	\$4,092,794 58	\$4,546,283 98

The figures above quoted are evidence that its financial policies have been sound. Some may think that they have been conservative to an extreme degree, but such a view would be utterly erroneous. So you see the value of our assets is considerable.

The total assets of the corporation have increased from \$1,545,596.31 at the 31st of March, 1939, to \$2,381,273.81 at the 31st of March, 1942. During these four years the value of its real estate, buildings, technical equipment, studios and office furnishings, without taking the depreciation into account, has increased from \$1,452,209 to \$2,509,525, and it is only through the operation of the depreciation account that it is now carried in our statements at \$1,098,159.88.

To enable the corporation to proceed with the expansion of its services, the government of Canada loaned it \$1,250,000 of which there remained outstanding at the 31st of March, 1942, a balance of \$503,398.77.

Since its inception at the 2nd of November, 1936, the corporation has set aside a book reserve for renewals and replacements of \$400,000, leaving a balance of \$714,309.98 in its operating surplus account.

Since the year ending 31st of March, 1939, licence fees have increased by approximately 10 per cent from 1939 to 1940, a little less than 10 per cent between 1940 and 1941, and approximately 10 per cent between 1941 and 1942.

The net commercial revenue has increased from \$563,770.91 in 1939 to \$665,401.90 in 1940, to \$841,908.88 in 1941, and to \$950,000 (estimated) in 1942.

In the year ending 31st of March, 1942, \$698,627.12 more was expended for programs, \$156,693.73 more for networks, and \$353,434.57 more for mechanical operations than in the year ending 31st of March, 1939.

It is clear that a considerable increase in income was necessary to meet these additional expenditures.

The C.B.C. could never provide the service it is now giving should its income be limited to licence fees.

Radio publicity has the double advantage of bringing in important revenue to the corporation and of, moreover, producing its own programs, thus relieving the corporation from the obligation of building its own programs during the period devoted to commercials.

By lessening the number of programs which the corporation otherwise would have to produce, it has enabled the concentration of available income with resultant improvement of quality of programs.

There is another aspect of the question which cannot be ignored. If a broadcasting system is to do any good it must be heard and listened to by the greatest possible number of people.

[Mr. René Morin.]

The advertiser, broadcasting for the purpose of selling merchandise, appeals to the public at large and accordingly his programs are built to be attractive to the mass of the people. Surveys show that programs which an intellectual would consider common and vulgar are usually those which draw the greatest number of listeners. Certain commercial programs are, of course, of a high character, but it cannot be doubted that competing for an audience, as it does with private stations, the national network, without proper commercials, would only retain the ear of a very small proportion of the listeners.

In preparing the yearly budget the board could not have in mind merely the operations of the current year. It knew that, as the long term development of national service materialized, there would be additional heavy fixed charges to meet in the years to follow. The board had to foresee these future obligations and so regulate its annual current expenditures as to be able to face these future fixed charges out of income without being compelled to reduce the sums available for creative work which is practically the only compressible expenditure.

Prudent as was this policy, we find that for 1942-43 it was only with great difficulty that the board succeeded in drafting a balanced budget covering the additional expenditures it had to meet and provide a fair program appropriation.

Additional hook-ups to private stations to increase coverage have considerably added to the cost of the wire service.

On account of the increased cost of living, salaries and wages had to be boosted to a much higher figure than they had been so far.

Owing chiefly to war requirements the number of programs produced and rehearsed in our studios is much greater than in the past which necessitates additional equipment and space which has to be leased at high rentals.

The Canadian Broadcasting Corporation is a non-profit-making organization and uses all its revenues in either producing radio programs or broadcasting those programs and others, from other sources, over Canadian territory.

Any surplus of revenues over expenditures in a given year goes back in the C.B.C.'s business either in the way of plant improvements or renewals. Although radio broadcasting equipment is now of a much more permanent character than it was some ten or fifteen years ago, it still reaches obsolescence very quickly and its cost has to be amortized over a limited number of years.

We have therefore apportioned a small part of our annual revenues to renewals and replacements in order to keep our plant in perfect condition. For instance, our broadcasting equipment is depreciated on a ten-year basis. At the end of that period the corporation would be in a position to replace them should it be necessary on account of technical improvement.

We have been fortunate to close each fiscal year with a substantial operating surplus. It must be made clear, however, that this was not due either to the fact that we have all the money we want or that we do not spend what we should to maintain an efficient service. Our surpluses are due solely to two factors: first, prudent management; second, expanding revenues beyond our expectation. One must remember that unlike commercial organizations we cannot speculate on the future, but, on the contrary, we must live from year to year. If, by any chance, through extravagant expenditures or through a sudden drop in revenues we were faced with an important deficit we would have absolutely no means of meeting our obligations except through assistance from the government. We do not want to place ourselves in that position. No subsidy is voted by the house for us. The government of Canada simply acts as collector of licence fees, which duly belong to us, once they have been paid by the listeners as their contribution to our national broadcasting system. We therefore exist outside of governmental operations and we think that it is better that we should thus remain; ours is a business, not a department.

Every year we therefore adopt a detailed budget of expenditures based on what, to our best judgment, our revenues will be for the coming year. We have been extremely careful to live within provisions of the budget on the expenditures side and every year we have seen our revenues go over what we had expected. This partly explains our surpluses which came in very handy because they allowed us to improve our facilities without borrowing from the government and without burdening our future budgets with interest and amortization charges. It would have been very tempting to spend our money on current expenditures as it came in, but that would have committed the future to a very dangerous degree and it would have deprived us of the necessary capital which we needed to build studios, to extend networks as we are doing this year in Cariboo, the East Kootenay and the Abitibi districts, to build shortwave stations, to equip mobile units (one of which is doing splendid work in England), to modernize our recording equipment from coast to coast, etc. We, in the east, are often inclined to think of radio through what we hear from Toronto or from Montreal, but let us not forget that the C.B.C. has a staff from Lulu Island, B.C., to Halifax, N.S., and even in London, England. Our engineering staff alone, which reflects the amplitude of our organization, comprises some 208 employees; many of them have been so much overworked that they have not been granted their summer holidays for a couple of years.

Programs

Facts about program personnel do not have the same meaning, as the number of employees does reflect quality of programs besides quantity. It is evident that the more attention is paid to the preparation of programs, to the number of rehearsals, to the control of continuity, etc., the more numerous the personnel must be. Nevertheless, you might be interested to know that our program division counts presently 251 employees.

As a result of war conditions, program operations have been considerably extended and varied. Three years ago we were broadcasting an average of 19 hours a day—that average has now risen to 35 hours a day, however paradoxical that may sound. That means we may have two parts of the network broadcasting at the same time, and the two periods are added together. A total of 19,000 sustaining broadcasting programs in the year ending in March, 1939, has risen to over 40,000 programs a year.

The executive will elaborate the details of this development.

News

A significant new activity undertaken during the period under review has been the establishment and development of our own news system.

Up to approximately a year ago the C.B.C. was broadcasting news supplied and edited by The Canadian Press, but as, in this critical period of war, news became one of our most anxious preoccupations; it was realized that our news service could be improved upon; that the edition of news for broadcasting differed from their edition for newspaper service; that direct access to the sources of the news would enable us to communicate them to the public with greater swiftness and better selectivity.

The C.B.C. then entered into negotiations with the Canadian Press and the B.U.P. who agreed to provide us with their teletype service at five news bureaux, a central one in Toronto and four other regional ones at Halifax, Montreal, Winnipeg and Vancouver. At the same time, arrangements were made to monitor foreign news broadcasts at a listening post at the C.B.C. shortwave receiving station at Ottawa.

All teletype installations, wire loops and so forth, are being paid for by the C.B.C., but both the Canadian Press and the British United Press have so far
[Mr. René Morin.]

agreed to lay down their news, free of charge, in the C.B.C. news rooms and we owe them a deep debt of gratitude for the service they are rendering to both the C.B.C. and the public.

The policy which guides the presentation of the C.B.C. National News Service is based upon the conviction that this service is in the nature of a public trust. Its aim is to present all the significant news of the day's happenings in Canada and abroad in a straightforward manner without bias or distortion, without tendentious comments and in a clear and unambiguous style.

To give this basic policy more exact definition and meaning, the following directives have been given to all C.B.C. news editors:—

1. Accurate news must be the first consideration. Stories must be faithful to source material in facts, emphasis, and general purport.

2. C.B.C. news bulletins must be based on source material supplied by the authorized news agencies, or secured by members of C.B.C. news staff under the authority of the senior editor in each newsroom. No outside source of news may be given payment for news, either direct or indirect.

3. News should not be treated in a sensational manner. Crime stories, where they have sufficient general interest to be used at all, should be handled with discretion. Remember that they go into the home and may be heard at unsuitable times.

4. News should be handled so as not to create alarm or panic. Flash stories about fires, accidents, etc., should not be used until the news is entirely dependable.

5. C.B.C. editors should not editorialize, speculate, or predict into factual news items. Speculative comment should be used only if it comes in the body of a news story and is quoted from an authoritative source.

6. Domestic political news must be treated with absolute impartiality. In controversial stories, both sides of the issue must be given equal emphasis.

7. No libelous or scandalous news should be permitted in news bulletins, nor should voice inflection be allowed in any way to colour the news.

8. No suicide stories, unless about prominent figures, and even these should be very carefully handled.

9. In all writing the canons of good taste should apply, particularly in referring to physical handicaps or deformities.

10. No stories about lotteries, gambling odds, or any reference to any sport news that would cause people to gamble or bet on the outcome.

The Central News Room at Toronto now supplies several bulletins daily to the national network, and gives a complete network service on Sundays and holidays. On week days the national bulletins are supplemented in each region by at least two bulletins each, from the five regional news rooms. These regional bulletins, while they carry any important international news that is available, are designed to supply a fairly large amount of news of local interest. To sum up, the C.B.C. provides its listeners, wherever they live, with two national bulletins and two regional bulletins daily, one of the national bulletins comprising a complete summary of the whole day's important news. These four bulletins are each of fifteen minutes' duration. They come at breakfast time, at noon, at supper time and in the late evening. In times of crisis, or whenever the public interest requires, these four regular bulletins are supplemented by a short bulletin at "sign on" in the early morning, another in mid-morning, a third in mid-afternoon, and a final brief bulletin at "sign off" at midnight.

The C.B.C. presents its own news bulletins over the C.B.C.-owned stations and network of 26 privately-owned stations. The service is also made available free of charge to all other radio stations in Canada, no attempt being made to create anything in the nature of a news monopoly. However, privately-owned stations remain at liberty to broadcast their own news as acquired from approved agencies; subject to certain restrictions imposed on the nature and extent of any

advertising that may be associated with sponsored news. The C.B.C. feels that it is in the public interest, particularly in war time, to keep news as free as possible of commercial considerations. Therefore, the C.B.C.'s own news service is maintained on a strictly sustaining basis, with no credit in any announcement to any news agency, newspaper or other news-gathering source, and no commercial sponsorship direct or indirect.

In order to complete the picture of C.B.C. news, we must add the bulletins prepared and presented by the B.B.C., transmitted to Canada from London, and included in the C.B.C. national program. The B.B.C. news is heard twice every day, and the B.B.C. Radio News Reel once every evening. This half-hour news feature, coming as it does from the capital of the empire, which is normally a world news centre and is now a vital war front in the battle of Britain, possesses special authority and interest for Canadians; it includes eye-witness accounts, actuality broadcasting, interviews and talks, by a wide panel of naval, military and air force experts. The B.B.C. News Reel is, one may claim, the most successful and ambitious daily news feature that has ever been undertaken by radio anywhere, in war or in peace.

Avoiding Sensationalism

Returning to the matter of handling the news bulletins, care is taken to avoid dullness on the one hand, or sensationalism on the other. A certain amount of repetition is unavoidable in radio news bulletins, just as it is unavoidable in successive editions of a daily paper. Much news comes in the form of "continuing stories"—first the bare outline, then further and fuller details. And the public, once interested, expects to be kept informed on all new developments in such a story. There are occasions—news of serious epidemics, for instance—which require most cautious treatment in order to make sure that the public is kept informed, and at the same time is not subjected to needless panic or alarm. Radio, it must be remembered, is an intimate medium, whose message penetrates to the fireside, and whose audience comprises the whole family. Good taste is therefore imperative; and reasonable reserve must be used in the handling of some news, particularly those items which sound different on the air from their appearance to the eye in cold print.

Policies

I propose now to review briefly action taken on the specific recommendations of the 1939 committee. Some of them deal with policies, finance, the extension of coverage, and the commercial policy of the corporation.

Other recommendations concern the implementing of policies already approved. The executive officers are naturally closer to the detail and will elaborate on a good deal of what I am surveying in this preliminary way.

There are also some recommendations which concern the Department of Transport rather than the C.B.C. For example, licence fees for transmitters, and the method of collecting receiving licences. A representative of the department will deal with these matters.

A good deal has been done to improve the publicity given to C.B.C. programs and other activities. It cannot be said that the situation is altogether satisfactory. I believe it was the feeling of the 1939 committee that the C.B.C. should follow the example of the B.B.C. which has undertaken the publicity of its own work through highly profitable and informative magazines. It may be that your deliberations will revive discussion of this proposal.

I believe you will discover that programs for rural listeners have gone forward in the way contemplated by the 1939 committee. Another significant new activity undertaken during the period under review, has been the establishment

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and development of our own news system. The use and encouragement of Canadian program talent and material have continued in increasing measure.

A high-power shortwave transmitting system capable of world-wide coverage, as recommended by the 1939 committee, is an expensive project and one which the C.B.C. could not undertake out of its own resources, without serious prejudice to the home service. This project therefore became a matter of government consideration. The best the C.B.C. has been able to do in the interval is the establishment of a low-power, basic shortwave unit for use within this continent.

Development of television and facsimile has been held up where it has not definitely been stopped by the war. The British Broadcasting Corporation were the leaders in the field of television and we were in close contact with all that they were doing. They have ceased television broadcasts; very little development is going on in the United States and since September, 1939, the C.B.C. has not been in any position to undertake experiments in either of these directions. There is no change of policy.

I am happy to tell you that the good understanding between private stations and the corporation has in fact been considerably improved. Close touch is maintained with the Canadian Association of Broadcasters and with privately-owned stations generally.

The policy of the corporation with regard to sponsored broadcasts of opinion on current affairs remains substantially the same as that which was approved by the committee of 1939. It is still our general policy to ensure that listeners hear a wide variety of points of view and to give the largest possible measure of fairness and equality of opportunity to those who hold opposing views. Some controversial broadcasting has to be avoided in war time, but on all matters other than those directly connected with the war we continue to present speakers who hold varying views.

(I would instance such series as the National Farm Radio Forum, in co-operation with the Canadian Federation of Agriculture; the series of discussions "What Do You Think" from Vancouver; and "What Did They Think" from Winnipeg. I would also mention the current series entitled "Labour Forum," in co-operation with the Workers' Educational Association.)

There have been no changes of basic policy since those which were explained to, and approved by, the select committee of 1939. At that time it was felt that when a change of policy was made it was not always communicated clearly, soon enough, or widely enough to those whom it concerned. I am sure that, speaking for the Board, I can say that when changes of policy are made, those concerned are informed as fully and as quickly as possible.

Since the time of the last select committee there has been one general election in Canada and a number of provincial elections and by-elections. Within the limits of war conditions, the 1939 committee's recommendations have been applied.

The rapid growth of the operations and organization of the C.B.C. had to be accompanied by a corresponding development of organization. There had already been worked out in practice a pattern of reasonably flexible and devolved responsibility. After careful consideration the Board recognized and approved this distribution and delegation of specific functions. It may be appropriate, therefore, to state briefly the evolved pattern of organization as it now exists.

The Corporation consists, firstly, of a Board of nine governors responsible to parliament through the Minister of National War Services; and, secondly, of a general manager and assistant general manager, responsible to the Board. The governors are appointed by order in council, and so are the general manager and assistant general manager (on the nomination of the Board). The Board (whose members serve without salary) acts as "trustee of the national interest in broadcasting." It meets periodically to discuss the general policy of the Corporation and to make decisions for the guidance of the management.

The direct management of the Corporation is in the hands of the general manager (who is the chief executive of the Corporation under the Act) and the assistant general manager. The former has specific responsibility for programs and public relations; and for carrying out the terms of the Act of parliament. The latter has specific responsibility for engineering and commercial operations, as well as for internal management. The bylaws of the Corporation also provide for the appointment of a controller of finance; this function is at present carried by the assistant general manager. There is also a finance committee of the Board of Governors.

The Act of parliament lays it down that the headquarters of the C.B.C. must be in Ottawa. However, in view of the size of Canada and its geographical and other divisions, considerable devolution of function and authority is necessary for the running of the service. The organization has been built up around the needs of the program service and the other branches of the work. Thus, while the Executive and financial headquarters are in Ottawa, the Program headquarters are located in Toronto, where most English language program material is available; and so are the Commercial, Station Relations, and Press and Information offices. On the other hand, the Engineering Division has its headquarters in Montreal.

To-day the Canadian Broadcasting Corporation concentrates on being as powerful as possible an aid to the war effort of Canada. We maintain close consultation and co-operation with other broadcasters in Canada as well as with broadcasters of the United Nations. Much of our work in this connection will be reviewed by you in the course of the report which the executive will give you. We realize very fully the power of broadcasting in these days and it is our endeavour to see that Canada and Canadian broadcasting make the fullest contribution to the cause of the free world.

Mr. COLDWELL: Mr. Chairman, I see it is just about 1 o'clock. I was wondering if for the record we could have the names of the board.

Mr. CLAXTON: May I suggest in that connection it would be useful if we had the names of the members of the board since its inception in 1936, with the dates of appointment and reappointment and the dates of withdrawal so that we can follow the thing right through.

The CHAIRMAN: On each report that has been submitted the names of the boards of governors appear at the opening page. You have that for the years 1939, '40 and '41, and at the last session I put on record, with your leave, the names of the Board of Governors up to date, to May 5.

Mr. CLAXTON: Could we have somebody collect that information from the reports?

Mr. COLDWELL: And put it on the record.

Mr. CLAXTON: I should like the names of the members, the date of appointment, reappointment, and withdrawal. There is another thing I wondered if I could get, it is a very large undertaking, but I think it would be useful in the deliberations of the committee, because from time to time we will be considering the names of individual stations and the changes in their power and go on. I wonder if it would be possible to have a list of the stations in Canada with their call letters, location, owners, wave-lengths, authorized power, utilized power, authorized hours of operation, actual hours of operation and changes from 1936 to date.

Mr. HANSELL: All stations?

Mr. CLAXTON: Yes.

Mr. HANSELL: Privately owned as well?

Mr. CLAXTON: Yes; and if also on that form could be indicated an appropriate sign on the stations which constitute the national network, it would be helpful.

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The CHAIRMAN: Any information with regard to stations and call letters and so on should be produced by the Department of Transport because they are the licensing board. It makes no difference where we get it from so long as we get it on the record of the committee.

Mr. COLDWELL: Could each member of the committee be supplied with a rate card, tariff charges and so on, charged by the commission. If we had that we might know just what the arrangements are between the different companies.

The CHAIRMAN: What do you mean, a record of rates for licences?

Mr. COLDWELL: No, when certain chains are in operation you have a rate, I believe, which is paid to the private stations, showing the amount collected by the Corporation itself and the amount apportioned to the various stations. Could we get a copy of that card for each member of the committee?

The CHAIRMAN: That is a matter that can be brought up when the financial statement is under review.

Mr. COLDWELL: If we could have them before the financial statement is under review it would help us when the statement comes before us.

The WITNESS: The executive can supply you with that information.

The CHAIRMAN: Does the committee desire to ask Mr. Morin any questions now?

Mr. GRAYDON: It is 1 o'clock.

The CHAIRMAN: We proposed to sit until 1.30 on account of not sitting until 11.30 this morning.

Mr. COLDWELL: That is all right with me.

The CHAIRMAN: Now is the opportunity to ask Mr. Morin any questions, because inasmuch as there is some further discussion on the statement that he made we do not propose to ask him to travel up here again.

By Mr. Coldwell:

Q. I should like to ask Mr. Morin when he was appointed to the Board of Governors.—A. 1936.

Q. As chairman of the board?—A. I was appointed vice-chairman in 1936, chairman in February or March of 1940.

Q. How much time do you give to the Corporation?—A. Well, that is difficult. First, I attend all meetings, and second, I answer all the letters that I receive, and third, I analyse the statements that are supplied to me, and I have a fair amount—

Q. Do you carry on any other business besides?—A. Oh, yes.

Q. What is the business?—A. Manager of a trust company, manager of other people's property.

Q. It must be quite a job to do two things.—A. It is.

By Mr. Graydon:

Q. How many meetings do you hold in a year, Mr. Morin?—A. Oh, we have meetings of the Board and then meetings of the Finance Committee. We formed a Finance Committee, which meets a little more often, before the meetings of the Board. So we might have probably five or six or seven meetings of the Board each year. Of course, you will understand that it is not possible to have a large number of meetings of the Board when you have to call in members from Vancouver to Halifax; so the Finance Committee meets a little more often, because it includes the chairman, the vice-chairman and Mr. J. W. Godfrey of Halifax, only three of the members.

By Mr. Isnor:

Q. How often does it meet?—A. Well, it meets usually before each meeting of the Board and then perhaps two or three times during the year when something urgent comes up.

Q. How many such meetings did you have in 1941?—A. You would have to ask that question of the secretary, about four.

By Mr. Casselman:

Q. What do you call a quorum of your Board, or do you insist on that?—A. I think the law mentions four. The question never arose because we were always a quorum whenever there was a meeting.

Mr. HANSELL: Mr. Chairman, I should like to ask some questions with respect to technical staff and also with respect to the matter of the gathering of news. I do not know whether Mr. Morin is really the gentleman who should be asked these questions or should answer them. We cannot expect the chairman of the Board of Governors to know all the details of everything that goes on in the administration of the C.B.C. However, he has mentioned in his report one or two things that give rise to some questions. For instance, the technical staff is said to be extremely busy, to such an extent that no holidays have been given to some of them for a couple of years.

By Mr. Hansell:

Q. Might I ask if you have any means of training your own technical staff; where does your technical staff come from? What I have in mind is this: they have to be trained somewhere. Do they gradually work up from the bottom within the C.B.C., or do the privately-owned stations train some of those men and then they eventually get work with the C.B.C. Can you throw any light on that?—A. Well, the assistant general manager might be in a better position than I am to answer that question; but I know that we took over the staff of the former Radio Commission, the technical staff which they had, and then we have taken on new technical employees coming out of colleges and universities, and I suppose we have hired others coming from ~~other~~ private stations also, and others have been taken on in lower positions and have gradually risen up through merit.

Q. I should like to know what percentage of your technical staff comes to you from privately-owned stations and also the reverse, how many of your own technical staff eventually find work with privately-owned stations? I know that is a difficult question to answer and I do not expect to get an accurate appraisal of that; but it has been rumoured that the privately-owned stations are feeding the C.B.C. with their technical staff to a very large extent.—A. I think to answer your question one would have to make an investigation, because I have not got those records. Perhaps Dr. Frigon may answer that question.

Dr. FRIGON: Now or later?

Mr. COLDWELL: When he comes on the stand.

Mr. GRAYDON: Is that not a matter of internal management?

Mr. HANSELL: That is exactly why I asked that question, whether Mr. Morin was the gentleman to answer or not.

Mr. GRAYDON: Mr. Chairman, I was awaiting very hopefully during the progress of the chairman's report to the committee to hear him make some mention of a point which I think—with no reflection upon his very splendid report—is perhaps of more public importance than almost anything else he gave. That is, since the last meeting of the committee investigating the broadcasting corporation's activities there has been a very substantial change in the Board of Governors under circumstances that I think perhaps ought to be the subject of some comment here.

On September 30, 1939, by reason of a recommendation of the Board of Governors, a report was made on the organization and personnel of the Canadian Broadcasting Corporation. That report was made by a former member of the

[Mr. René Morin.]

Board of Governors, who is now deceased. It was tabled in answer to a question in the House of Commons as sessional paper No. 124-A on Friday, December 6, 1940. That report, which I have here, and which is very voluminous, deals very fully with the matters which are referred to by Mr. Plaunt and I believe have some importance with respect to the deliberations of this committee. In addition to that on the 23rd of September, 1939, again at the insistence of the Board of Governors a report was made by Clarkson, Gordon, Dilworth and Nash on the structural organization and financial administration of the Canadian Broadcasting Corporation.

In view of the fact no committee of this kind has sat since these reports were brought to the Board of Governors for consideration, I think it is important that we should have a full statement from the chairman of the Board of Governors, who is with us to-day, as to first of all how far those recommendations were accepted by the Board of Governors, and in addition to that how far were the recommendations implemented by the Board of Governors through the management of the corporation. Because, subsequent to that report—the first one which I mentioned, of September 30, 1939—one member of the Board of Governors resigned his position; and if I may, just by way of clarification to the committee, read the letter which was filed in sessional paper No. 124-A, which I think brings in in a very compelling way the whole matter of the report to the Board of Governors and to this committee, it will make the matter more easily understood. On August 30, 1940, Mr. Alan B. Plaunt, who was then on the Board of Governors wrote this letter to the Hon. C. D. Howe, Minister of Munitions and Supply, under whose department broadcasting operations took place. He said this:—

Dear Mr. HOWE:

Kindly request the Governor in Council, at your earliest convenience, to accept my resignation as a member of the Board of Governors of the Canadian Broadcasting Corporation.

I should be grateful if you would also convey my appreciation of the honour, and opportunity of service, bestowed in my appointment as a member of the first board in November, 1936, and subsequently in my reappointment for a further term.

My reasons for resigning at this time have been explained at length to the chairman, Mr. Morin. I have also written to the Prime Minister.

Briefly, I feel that, as a public trustee, I should not continue to accept responsibility for the internal organization and executive direction of the corporation when I have long ceased to have confidence in it.

I do not mean to suggest that I consider the general framework of the Broadcasting Act inadequate. On the contrary, it is generally agreed that the Act provides an admirable framework for the development of a non-partisan, business-like, and effective system of national broadcasting.

I would have taken this step early in the year had not my colleagues given me some reason to hope that the serious defects revealed by the reports prepared, at their unanimous request, by Mr. J. C. Thompson, C.A., and myself would be remedied. I have, however, finally been obliged to conclude that such is not the case.

It is my considered view that the present conditions seriously hamper the corporation in fulfilling its function in the war emergency, and prejudice its survival as an effective instrument of national unity afterwards.

In these circumstances, I can no longer serve a useful purpose by remaining on the board. Consequently, I wish to be free to engage in other aspects of national service.

In closing may I say how much, over a long period of time, I have valued your own interest in national broadcasting. I shall not forget

your cordial consideration of the scheme of reorganization I had the honour to present to you on behalf of the Canadian Radio League in the autumn of 1935 and our many subsequent discussions prior to the formulation of the Canadian Broadcasting Act.

With kind regards,

Yours faithfully,

(Sgd.) ALAN B. PLAUNT.

I bring that to the attention of the committee because I think it brings up a point of major importance with regard to the whole policy of the corporation; and I also express the hope that the chairman in his reply will give us a full statement and that he will be able to tell the committee that the matters which form part of the letter in the reports have been duly remedied by the Board of Governors of the Canadian Broadcasting Corporation.

The WITNESS: When these documents were tabled in the House I wrote to the Hon. Mr. Howe a letter dated November 26, 1940. I said:—

Dear Mr. HOWE:

We have been informed that the reports made by Mr. J. C. Thompson and Mr. Alan B. Plaunt on the organization and personnel of the Canadian Broadcasting Corporation were soon to be tabled in the House.

In order to avoid drawing incorrect inferences from the reading of these reports, the facts and circumstances surrounding them must be taken into account.

At a meeting held in April, 1939, the Finance Committee, desirous of having a close investigation made by one of their members, in near proximity to the main centre of operation, invited Mr. Plaunt to undertake a survey of the Corporation's organization and personnel.

Subsequently at its meeting of July 6, the Board confirmed the request and Mr. Plaunt undertook this survey, with the assistance of Mr. J. C. Thompson, C.A., of the firm of Clarkson, Dilworth, Gordon & Nash. Both made reports dated September 30, 1939, which were submitted to the Board at its meeting of October 16 and 17, 1939. Unfortunately, Mr. Plaunt was taken ill on the eve of the meeting and was unable to be present. The next meeting attended by Mr. Plaunt was held on April 15 and 16, 1940, when the Board appointed a Special Committee, consisting of the Chairman, Vice-Chairman, Mr. Godfrey and Mr. Plaunt, to study the reports and to hear the additional explanations which Mr. Plaunt intended to give.

Mr. Plaunt was away during the whole month of May and after his return it was arranged for the Special Committee to meet on July 7. Unfortunately at the last moment some members of the Committee could not attend so the meeting had to be postponed. It was then agreed that the Special Committee should meet immediately before the regular meeting to be held in August, but the time of the members was wholly taken up by the consideration of the newscast problem, which was then very urgent, and the reception of a number of delegations, so that the Committee did not find the time necessary to hear from Mr. Plaunt the explanations and illustrations which were to complete his report.

It was, however, decided, with Mr. Plaunt's full agreement, that the Board would deal with them at its next meeting. Therefore, the Board was greatly surprised to learn of his precipitate resignation on the 30th of August.

[Mr. René Morin.]

The Finance Committee and the members of the Board in the meantime had been individually considering and studying these reports.

Mr. Thompson's report revealed a financial situation which was considered highly satisfactory. It also contained a number of recommendations which were carefully discussed by the members of the Finance Committee and partially acted upon.

To implement these recommendations, the accounting system, which had then been on a cash basis, was placed on an accrual basis.

The provisions for depreciation of the assets of the corporation were also altered in accordance with Mr. Thompson's views.

The problem of centralization, which forms the object of the first three recommendations, has been considered on many occasions and it is acknowledged that such a step would be decidedly advantageous in many ways. The Board had planned to build studios and offices in both Toronto and Montreal, but the execution of this plan had to be postponed on account of the war and under the circumstances the Board came to the conclusion that the desired change was not opportune at this particular moment.

The Finance Committee carefully considered the recommendations as to the duties and responsibilities of the General Manager and the Assistant General Manager, as well as the establishment of a financial control. The activities of the Corporation are varied and instead of centering them on one head, it is believed that better results may be obtained by dividing the work between the General Manager and the Assistant General Manager, although the latter must, of course, report to the former. This arrangement lends itself in a very satisfactory way to the respective qualifications of these two officers. The duties of the Assistant General Manager in respect of the control of finance, were also greatly enlarged with a view to ensuring an adequate financial control compatible with the terms of the Act creating the Corporation.

A general survey of the staff was made as a consequence of which the duties and responsibilities of each particular position, as well as the remuneration attached to it, were carefully established.

The Board, therefore, cannot fairly be accused of having failed to take account of Mr. Thompson's report.

Many of the suggestions contained in Mr. Plaunt's report were repetitions of those made by Mr. Thompson. Additionally, it contains recommendations of a general character susceptible of guiding the management in its administration with which the Board is mainly in accord, and the management is endeavouring to gradually put them into effect. Others were of a debatable character.

As it was expected, the report also contains some criticism, but it is not felt that there is any revelation to justify the stand taken by Mr. Plaunt in his letter of resignation that "these conditions seriously hamper the Corporation in fulfilling its function in the war emergency and prejudice its survival as an effective instrument of national unity."

In fact, there can hardly be any connection between this report and the war emergency since this report was mainly prepared before the war.

I hope that these explanations will tend to clarify to some extent at least, the statements which have been made and the confusing ideas which have arisen in connection with the Thompson and Plaunt reports.

Yours sincerely,

(Sgd.) RENE MORIN,
Chairman, Board of Governors.

Well, that gives you a fairly good answer to your question. I may say that our finance committee has carefully considered and studied both the report by Mr. Thompson and that made by Mr. Plaunt, and has endeavoured to give effect to the recommendations of the committee where they were practicable. Some were not practicable. One for instance which was that the administrative department should be centralized at Toronto. We planned to build studios in both of these cities but that had to be suspended for the time being.

By Mr. Graydon:

Q. Have you got a summary of that?—A. I have a summary of council recommendations. Perhaps you have that also.

Mr. GRAYDON: I have it in a sessional paper.

Mr. HANSON: Why not put it on the record?

The WITNESS: I would be glad to do so.

Mr. GRAYDON: That is all right.

The WITNESS: Now, you spoke also about the amendments to our by-laws; to divide the different functions or activities of the general manager and the assistant general manager. Well, you must not forget that our undertaking has taken on vast proportions, and that our work extends from one side of the country to the other. We have built four large stations. One of our difficulties is that our territory is divided into regions and the functions are extremely varied. The man who has the qualities and the imagination suited for program building is not necessarily a good business man.

By Mr. Coldwell:

Q. I was looking up the report of one of the earlier committees, and if you look at the report of the 1936 committee you will find at page 784 its recommendation No. 1, which is as follows:—

It has been amply demonstrated that a commission of three cannot be moulded into a unit that can formulate and execute policies successfully. Evidence adduced before this committee has made it apparent that under the existing organization there has been lack of co-ordination in dealing with some major questions.

And then it goes on to say this, under 1 (a):—

1 (a) After carefully reviewing the administration of radio broadcasting we have reached the conclusion that recommendation number one of the 1934 committee, viz:

That in the opinion of your committee radio broadcasting could best be conducted by a general manager, is justified in all respects, and your committee hereby endorses and repeats this recommendation.

And then section 6 of the Act is quoted too; it was quoted by Mr. Thorson yesterday, and it says:—

There shall be a general manager who shall be the chief executive of the corporation.

Then, in 1938 the committee reported its opinion in this wise:—

Your committee believes that the constitution of the corporation, ensuring a proper division between policy and management and a degree of flexibility and independence essential to the medium of broadcasting, together with ultimate parliamentary control, is well suited to the purpose for which it was created.

The amendment of the by-law on March 24, 1941, clearly divided the authority three ways. You have the general manager, the assistant general manager and an executive committee, all of whom are responsible for certain

[Mr. René Morin.]

phases of the work of the board. If we look at the by-laws, we find that a great deal of power has been taken away from the general manager and placed in the hands of the executive committee or in the hands of the assistant general manager, whereas the parliamentary committees which have sat before that was done all recommended against a division of authority. If we look at the sections to which I refer of by-law number 6, we find clause 2 was deleted. That read originally:—

6. (2) The employment, dismissal and remuneration of the officers and other employees of the corporation shall be determined by the general manager provided that the appointment of officers or employees whose salary exceeds four thousand dollars per annum, shall be subject to confirmation at the first meeting of the Board of Governors following such appointment: further provided that the general manager may at any time suspend any officer or employee of the corporation for cause.

That was entirely deleted or cancelled, and we find, turning over to the amendments, the following. First perhaps I should also read, by-law number 7 which was replaced by new sections. It was as follows:—

7. (1) The general manager of the corporation shall be its chief executive officer and, subject to the direction of the Board of Governors, he shall be responsible for the carrying out of the provisions of the Canadian Broadcasting Act, 1936, and of the regulations and by-laws made thereunder.

(2) He shall be present at all meetings of the Board of Governors, unless his attendance is excused by the Chairman or presiding officer.

(3) He may delegate any of his powers, other than the powers granted to him under by-law No. 6, to the assistant general manager or to any officer or employee of the corporation.

(4) He shall from time to time prepare such reports of the activities and finances of the corporation as the Board of Governors may request.

(5) On or about the first day of January in the year 1937, and thereafter upon such dates as may be determined by resolution of the Board of Governors, he shall submit to the Board of Governors an estimate of the receipts and expenditures of the corporation for the following fiscal year, together with his suggestions for the development of the work of the corporation, such estimate to contain a detailed statement of any financial requests to be made to the government.

(6) As soon as possible after the end of each fiscal year, a report containing such information as may be required to enable the corporation to comply with sections 20 and 26 of the Canadian Broadcasting Act shall be submitted to the Board of Governors at such time as the board may require.

(7) The general manager shall not engage in any employment remunerative or otherwise without previously obtaining the consent in writing of the Board of Governors.

Then we have section 8 which reads:—

8. (1) The assistant general manager shall generally assist the general manager in the performance of his duties and shall exercise the powers of the general manager in his absence.

(2) The assistant general manager shall not engage in any employment remunerative or otherwise without previously obtaining the consent in writing of the Board of Governors.

Those were cancelled and we see that in their place we have the following:—

7. (1) There shall be an executive committee consisting of the chairman, the vice-chairman and two other members of the Board of Governors to be named each year at the first meeting following the close of the fiscal year.

(2) The chairman of the board shall be the chairman of the executive committee. Three members shall constitute a quorum.

(3) Subject to the control of the Board of Governors, the executive committee shall have power:—

(a) to manage the affairs of the corporation, to control its finances and to supervise its operations, in accordance with the general policies laid down by the Board of Governors,

(b) to define the functions, duties and responsibilities of the officers and employees of the corporation and to direct them in the performance of their duties.

(4) All decisions of the executive committee shall be reported to the Board of Governors at the next following meeting of the board.

Then by-law number 8, as I noted it, was cancelled and this substitution was made:—

8. (1) (a) The general manager of the corporation shall be its chief executive officer and, subject to the direction of the Board of Governors or of the executive committee, he shall have charge of programs, of policies and relations of the corporation with the press and the public and be responsible for the carrying out of the provisions of the Canadian Broadcasting Act, 1936, and of the by-laws and regulations made thereunder.

(b) The general manager shall have authority to appoint the officers and other employees of the corporation other than the technical, commercial or business staff, but such appointments and the salary rates of these appointees shall be subject to the approval of the executive committee. He may at any time suspend for cause any such officer or employee.

(c) He may delegate any of his powers to the assistant general manager, or to any officer or employee of the corporation.

(2) (a) The assistant general manager, subject to the direction of the Board of Governors, or the executive committee, shall have charge of the technical and commercial operations of the corporation; he shall be responsible for the internal management of the affairs of the corporation and shall fulfil the duties which may at any time be delegated to him by the Board of Governors or by the executive committee and shall exercise the powers of the general manager in his absence.

(b) The assistant general manager shall have authority to appoint the technical, commercial and business staff of the corporation, but such appointments and the salary rates of such appointees shall be subject to the approval of the executive committee. He may at any time suspend for cause any such officer or employee.

(3) (a) The board may appoint a controller of finance who may be the general manager, the assistant general manager, or any officer of the corporation.

There we see that the powers of the general manager of the corporation were curtailed and a portion of them placed in the hands of an executive committee. In effect this was, in the eyes of the public—those who were watching this, at least—a demotion of the general manager.

[Mr. René Morin.]

The CHAIRMAN: Is it not a fact that the statute says that there shall be an executive committee?

Mr. COLDWELL: Yes, but it says there shall be a general manager who shall do certain things. The point I am making is that the parliamentary committees which sat after reviewing the work of the previous commission decided that, in their opinion divided authority was fatal to the conduct of the corporation, and here in these by-laws we find that we have divided authority; and if I might point this out: "The Assistant General Manager, subject to the Board of Governors, or the executive committee, shall have charge of the technical and commercial operation of the corporation; he shall be responsible for the internal management of the affairs of the corporation and shall fulfil the duties which may at any time be delegated to him by the Board of Governors or by the executive committee and shall exercise the powers of the general manager in his absence.

(b) The Assistant General Manager shall have authority to appoint the technical, commercial and business staff of the corporation, but such appointments and the salary rates of such appointees shall be subject to the approval of the executive committee. He may at any time suspend for cause any such officer or employee.

That, of course, is the phraseology used throughout. Then we have the provision for the appointment of a controller of finance. It is a good one; I understand the chairman to say that the assistant general manager was acting as the controller of finance. It would seem to me that what has actually happened is not only a divided authority, but in view of the powers given, the assistant general manager is in reality in greater control of the corporation than the general manager himself. That is the interpretation I put upon that.

By Mr. Claxton:

Q. Was an executive committee appointed?—A. No, sir, the appointment of the executive committee was postponed until the vacancy in Ottawa was filled because we wanted to have the Ottawa member, who is on the spot, to be a member of that committee.

The committee adjourned to meet Tuesday, May 19, at 10.30 a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

TUESDAY, MAY 19, 1942

WEDNESDAY, MAY 20, 1942

WITNESS:

Mr. René Morin, Chairman of the Board of Governors,
Canadian Broadcasting Corporation.

ERRATUM

Minutes of Proceedings of Wednesday, May 6, 1942.

8th paragraph, line 5: The word "extracts" should read "contracts".

MINUTES OF PROCEEDINGS

Room 429

TUESDAY, May 19, 1942.

The Special Committee on Radio Broadcasting met this day at 10.30 a.m., in Room 429; Dr. McCann presiding.

Members present: Mrs. Casselman (*Edmonton East*), Claxton, Coldwell, Graydon, Hanson (*Skeena*), Homuth, Isnor, Hansell, Laflamme, McCann, Mullins, Rennie, Ross (*St. Paul's*), Telford, Tripp and Veniot, (16).

In attendance:

From The Canadian Broadcasting Corporation:

Major W. E. Gladstone Murray, General Manager; Dr. Augustin Frigon, Assistant General Manager; Mr. Donald Manson, Chief Executive Assistant; Mr. E. L. Bushnell, General Supervisor of Programs; Mr. J. R. Radford, Supervisor of Station Relations; Miss V. B. Belcourt, Public Relations Officer; Mr. W. H. Brodie, Supervisor of Broadcast Language; Captain W. O. Findlay, Executive Assistant, Ottawa, Ont.

From the Department of Transport, Radio Division:—

Mr. W. A. Rush, Controller of Radio and Mr. W. A. Caton.

From the Department of National War Services: Justice T. C. Davis.

The Chairman read a letter from the Controller of Radio, Department of Transport, addressed to the Clerk of the Committee, under date of May 18, 1942, stating that the information requested on Thursday, May 14 last, is being prepared.

Information respecting the technical staff of the Canadian Radio Broadcasting will also be forwarded to the Committee as soon as compiled by the competent officers.

The Chairman filed a statement received from the C.B.C. showing the appointment, reappointment and resignations of the Board of Governors from 1936 to date. This table is printed in to-day's evidence as appendix A.

Copies of the C.B.C.'s Network Rate Card No. 4, as of April 4, 1941, supplementary stations included, were filed and distributed to the members of the Committee.

Mr. Morin was recalled and further examined. As requested, he placed on record the attendance of the Governors at the various meetings of the Board of Governors.

The Committee questioned the witness on the reports of Messrs. Thompson and Plaunt with respect to the structural organization and financial administration and the organization and personnel respectively.

Mr. Coldwell read a letter under date of February 23, 1941, addressed by the Auditor General, Mr. Watson Sellar, to Hon. C. D. Howe concerning an allowance to the General Manager.

The witness was questioned in that regard.

Discussing programs, Mr. Coldwell referred to certain criticisms and quoted an editorial of *Le Canada*, published on May 15, 1942.

In his reply, Mr. Morin paid a high tribute to the late Mr. Louis Francoeur, French Commentator of the C.B.C.

The question of programs will again be deliberated when the Committee calls the Supervisor of Programs.

Reference was made by Messrs. Hansell and Coldwell to the Policy of the Corporation concerning political broadcasts.

Copies of a statement of policy issued by the C.B.C. in connection with controversial broadcasts were forthwith distributed to the members of the Committee.

In this regard, Mr. Coldwell read an extract of the minutes of a conference of the Dominion Election Committee, held on January 31, 1940, and in reply to Mr. Isnor, stated that these bore no signature.

Witness retired.

The Committee adjourned at 1.10 p.m., until Wednesday, May 20, 1942, at 10.30 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

Room 429

WEDNESDAY, May 20, 1942.

The Special Committee on Radio Broadcasting met this day at 10.30 a.m., in Room 429, Dr. McCann presiding.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Graydon, Homuth, Isnor, Hansell, Laflamme, McCann, Mullins, Ross (*St. Paul's*), Slaght, Telford, Thorson, Tripp and Veniot.—(18).

In attendance: Same officials as they appear in the minutes of proceedings of Tuesday, May 19, 1942.

Mr. Morin was recalled and further examined.

Mr. Claxton called the attention of the Committee to some foreign propaganda broadcasts quoting newspapers articles which appeared in the Press. He wondered if appropriate steps were taken to destroy such propaganda and publicity.

The witness replied that this did not come under the jurisdiction of the Canadian Radio Corporation.

The witness was questioned on the financial administration and a lengthy discussion followed on the appointment of the Executive Committee as mentioned in the by-laws and the amendments thereto.

The duties of the General Manager, the Assistant General Manager and the Controller of Finance as defined in the By-Laws and their accompanying amendments were analysed and Mr. Morin, in the course of his replies, read a memorandum dealing with section 12 of the Canadian Broadcasting Corporation Act which empowered the Corporation to enact by-laws.

The Committee gave consideration to the personnel of the Board of Governors and suggestions were advanced respecting representations thereon of farming and labour.

The advisability and the importance of building at an early date a high powered short-wave broadcasting station, as recommended by the Parliamentary Committee in 1938, were discussed and the witness was interrogated thereupon.

The Alan B. Plaunt report on organization and personnel as well as the Thompson report on structural organization and financial administration were again the object of a long discussion.

Referring to those reports, Mr. Graydon read an extract of the letter Mr. Plaunt addressed to Mr. Morin on August 30, 1940.

Mr. Coldwell moved, seconded by Mr. Graydon, and it was ordered to print the following letters in to-day's evidence as Appendices A, B and C.

- A. Mr. Alan B. Plaunt to Honourable C. D. Howe, Minister of Transport, under date of August 30, 1940.
- B. Mr. Alan B. Plaunt to the Prime Minister of Canada, dated August 30, 1940.
- C. Mr. Alan B. Plaunt to Mr. Morin, Chairman of the Radio Broadcasting Corporation, dated August 30, 1940.

The witness retired.

The Committee adjourned at 1.10 p.m., until Tuesday, May 26, at 10.30 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

May 19, 1942.

The Select Committee on Radio Broadcasting met this day at 10.30 o'clock a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. Ladies and gentlemen, we have a quorum and we shall proceed with our meeting. I just wish to make one or two announcements before we start with the regular business. One has to do with a communication from Walter A. Rush, Controller of Radio, who says:—

With respect to your telephone advice asking for details of Canadian broadcasting stations from 1936 to date, for the information for the parliamentary Committee on Radio Broadcasting, I may say that these lists are at present in the process of preparation and will be forwarded to you at the earliest possible convenience.

(Sgd.) WALTER A. RUSH.

You will remember that we asked for this list at the last meeting.

We have copies of the network rate card No. 4 as of April 1, 1941. This is rather an extensive sheet and would entail a lot of work in the printing of it in the record. We have a copy on hand for each of the members and I think that will suffice rather than putting it officially in the record. A copy of the rate card will be passed around for each member. In addition to that we have the record of the Board of Governors from the inception of the Broadcasting Corporation to date, with the date of appointment, date of reappointment, date of expiry, and some remarks. With your consent we will have all these printed in the appendix to to-day's proceedings.

We will proceed now with Mr. Morin.

Mr. RENÉ MORIN, recalled:

By Mrs. Casselman:

Q. I think Mr. Morin said the Free French had used the broadcasting stations for some of their information or the Free French had a series of talks over the C.B.C. and a pamphlet of these talks was printed. I wonder if that has been circulated and if it was translated into English or not?—A. I think so.

Q. I wonder if it has been circulated at all, and if so I should like to get a copy of it but not necessarily now.—A. It is available in French; it will be distributed later.

By Mr. Graydon:

Q. Mr. Morin, since the last meeting of the committee investigating the affairs of the C.B.C., how many meetings of the Board of Governors have been held?—A. Well, I could not give you that information from memory; I think it is a question which might be asked of the secretary of the board, Mr. Manson.

Q. I do not want to leave all these questions to someone coming afterwards; I want to have some continuity in the approach to this.—A. You asked since 1939?

Q. Since 1939.—A. In 1939 there were three regular meetings of the board and one special meeting, that means four.

Q. Four meetings were held. We shall deal with the 1939 meetings first. At those three regular meetings was there a full attendance of the Board of Governors?—A. In 1939? I do not remember exactly, but so far as I can remember all the governors available were there; but in 1941 Mrs. McClung was ill; she did not attend the meetings of the latter part of 1941 nor 1942. General Odlum was in Great Britain and then in Australia, and until he was replaced he missed a certain number of meetings.

Q. What is your general policy with regard to convening meetings of the Board of Governors? Have you any special policy as to the time that you meet or is that simply dictated by the urgency of the situation to be dealt with from time to time?—A. Well, the general policy is to have about four or five regular meetings during the year and then—

Q. How many is that?—A. Four or five; and then other meetings whenever the necessity arises. Members of the Board of Governors come from Vancouver to Halifax so it is not very easy to call them in very often. I do not believe that it was the intention of parliament when it created the board composed of members coming from the Atlantic to the Pacific, to have them convene quite often; and it is for that purpose also that we have in mind appointing an executive committee and so we propose first to hold meetings of the executive committee every month regularly.

Q. That is the executive committee that was envisaged with the change of the by-laws?—A. Yes.

Q. Of which I understand there were to be three from the Board of Governors and the others from the management itself?—A. Oh, no; the executive committee would be composed merely of members of the board.

Q. Composed of members of the board?—A. Of members of the board.

Q. How many would there be?—A. Four.

Q. Would that mean that this executive committee would be chosen because of geographical considerations?—A. Well, geographical considerations would enter into account, because the executive committee having to meet more often it is easier for those living in the neighbourhood of the central provinces to attend meetings than it is for those who live on the Pacific coast.

Q. Under this proposed set-up of the executive committee how often do you propose that executive committee to meet?—A. Once a month.

Q. Once a month?—A. Yes.

Q. I suppose if something urgent arises it will meet more often than once a month?—A. Yes.

Q. Then, in that case would the executive committee report to the main Board of Governors from time to time?—A. Yes; all the decisions of the executive committee would have to be ratified by the board at the following meeting.

Q. Has that committee been set up yet?—A. The committee itself has not been appointed.

Q. Has this suggestion ever been advanced before, the suggestion of having an executive committee of four? Has it been dealt with by the Board of Governors in previous years?—A. Yes, it is provided for in the amendment to the by-laws passed in 1940.

Q. Your by-laws, as I understand it, were passed in 1940?—A. 1941—I beg your pardon.

Q. Were immediate steps taken to set up this committee after the by-laws were passed?—A. No.

Q. How was this?—A. Because then there was a vacancy, the successor to Mr. Alan Plaunt had not been appointed, and we felt that the Ottawa member should necessarily be a member of the executive committee in view of the fact that he was residing here and would be able to maintain close contact with the management.

Q. How long was it after Mr. Plaunt died until the new governor was appointed?—A. The new appointment was made only the other day, the 5th of May.

By Mr. Claxton:

Q. Mr. Plaunt died on the 12th of September, 1941.—A. I do not remember exactly the date, around that time.

By Mr. Graydon:

Q. Well, now, with respect to the special meeting which was held in 1939, what did that meeting deal with?—A. That special meeting was called to deal with our news service which had been considered unsatisfactory up to that time. We wanted to organize a news service which would be edited by ourselves and a news service which would get its news from both news agencies, the Canadian Press and the British United Press instead of the news of only one service.

Q. You were getting it previously to that from only one service?—A. Only the Canadian Press.

Q. What discussion took place at that meeting with respect to the matter of co-ordinating the news service?—A. Well, I think we decided then that we would make arrangements with the Canadian Press and with the British United Press to obtain their news as it came on the ticker and that we would incur the expenditure of having teletype service at five regional points and that we would appoint our own editing staff in order to be able to give the news on the radio more swiftly than it had been done before and also to have more news available for radio broadcasting. We felt also that news which was edited by newspaper men for the press was not properly edited for the spoken word; that it might be more effectively edited by experts in broadcasting to be given on the radio.

Q. Had there been any complaints made about the editing previous to that?—A. Well, there were complaints from the public and we felt ourselves that the news was not satisfactory. I should not like to say anything against the Canadian Press, but it was normal that in getting the news they took the time to edit it and they sent it to the newspapers who were members of their association, if not ahead of the time at which they sent it to us, at least not much later, so that the press had the news ahead of us, and was in a position to print it before we could give it on the radio.

Q. In other words, this gave you the opportunity of getting on the radio before their news got there?—A. Yes,—well, in some cases.

Q. When was that special meeting held, Mr. Morin, do you remember the date?—A. On the 27th day of June. We had two special meetings, one on the 1st and the other on the 27th day of June, 1940.

Q. That was in 1940?—A. 1940.

Q. I understood that the special meeting you spoke of was in 1939.—A. We had a special meeting in 1939 also, but it was only to deal with business that had to be completed before the board meeting to be held in February 1939 to deal with business that had to be completed before the parliamentary committee was to sit.

Q. Previous to the parliamentary committee sitting?—A. Yes.

Q. What dates were those other three meetings that were held in '39 previous to the war or after the war broke out?—A. We had a meeting on the 20th of March, 21st and 22nd of March, that was one meeting. The second meeting on the 5th, 6th and 7th of July; a third meeting on the 16th and 17th of October. That was after the war started.

Q. As I take it these meetings were all regular meetings, they were not special meetings?—A. No, they were not special.

Q. How do you designate between a special meeting and a general meeting of the Board of Governors?—A. Well, a special meeting would be called for a definite purpose, to deal with a particular thing, and the other meetings are called to deal with anything that might come up.

Q. General business of the corporation?—A. Yes.

Q. How much notice do you give those members of the Board of Governors before your meetings?—A. At least ten days.

Q. At least ten days?—A. Yes, usually more than that.

Q. Do you have any difficulty because of geographical locations of the various members of the Board of Governors? Does the geographical location make it convenient so far as convening meetings are concerned?—A. Not so far as we have proceeded, but we have held only four, five or six meetings during the year; but I assume that it would be an inconvenience if there were to be meetings every week.

Q. Yes, I think your assumption would be quite proper there. Is that one of the reasons why you do not hold more meetings of the Board of Governors? Is it because of the geographical position?—A. You know, the board is not called upon to mix up into the internal management of the corporation. That is the business of the chief executive, of the general manager, but to pass on matters of policy, regulations and budget and the granting of private licences, increases in power, receiving delegations from the public, from the Canadian Association of Broadcasters, from the press. Whenever anything like that becomes urgent we call a meeting, but if we were to call a meeting regularly every month I am inclined to believe that there would not be very many matters to deal with.

Q. There would not be many matters to deal with?—A. No.

Q. You feel the number of meetings you have had then is sufficient to meet the purposes of the corporation?—A. I think so.

Q. Then, if that is the case, why is the suggestion made about a small committee to meet monthly if, as you say, the meetings of the Broadcasting Corporation Board of Governors is sufficient and if they meet monthly there would be only a small amount of business to be done. Instead of that you now propose to set up a special board, if you like, a special committee of four of the Board of Governors to deal monthly with the affairs that come up. You have only nine on your Board of Governors and you are going to have half meet every month. There must be some reason for that based upon experience that you have had with respect to the Board of Governors and I should like to know what that is.—A. Well, I would say the executive committee when it is appointed and when it meets will deal more closely with the matters of secondary importance which at the present time are settled by the management; and it will receive reports from the management as to what is going on and will see whether anything has to be done. The executive committee will not replace the board, but it will exercise a closer supervision over the affairs of the corporation.

Q. In your experience have you found that closer supervision is essential at the moment?—A. Well, I think it would be advantageous.

Q. How many general meetings of the board do you propose to have in view of this new arrangement of monthly meetings of the committee?—A. We will continue as in the past, four or five.

Q. Continue as in the past?—A. Yes.

Q. If that is the case who will constitute this committee of four?—A. Well, the by-laws provide the chairman will be a member of it, the vice-chairman and two other members appointed by the board.

Q. Those two members have not been appointed yet?—A. They have not been appointed yet.

Q. I take it from your remarks you indicate a man from Ottawa will be one of the members of that board.—A. That is my personal opinion.

Q. You have not decided that yet?—A. No.

Q. Has any discussion taken place at the meetings of the Board of Governors with respect to the question of the occupations of the men and women on the Board of Governors; that is, to get an occupational representation as well as a geographical representation as was envisaged by the Act?—A. The members of the board are appointed by the government, and the board itself has nothing to do with these appointments.

Q. There is nothing to hinder, of course, the board having some opinions; have they ever been expressed at any of the meetings in regard to that?—A. Not to my knowledge.

Q. Have any opinions been expressed with respect to the wide geographical areas that the Board of Governors represent?—A. It is acknowledged that our service must extend from one part of the country to the other and also that the situation from the broadcasting point of view in the central provinces like Ontario and Quebec is much more simple than it is in the less populated districts on the Pacific and Atlantic coasts; and it is only proper that these areas have some representation because they have interests which are not altogether similar to those of the representatives of the central provinces.

Q. I can quite understand that, Mr. Morin. My point is that I am wondering whether these sections are getting their proper representation even now on the affairs of the corporation. Now you are going to set up a committee of four which apparently is going to be a committee from geographical areas of small dimensions in the central part of the country. Would it be the natural flow of events that this committee will really be usurping the functions of the entire Board of Governors as time goes on? In other words, that you will call in the other members of the board from British Columbia and from the east, perhaps two or three times a year, and perhaps it will get less as time goes on, because as your statement shows there is no special time that the Board of Governors must meet. A general meeting of the Board of Governors is not called except at the call of the chairman, and I am wondering whether or not those outlying points are going to have proper representation with respect to the general outlines of the corporation. I want to get that point. Let us take 1941. How many meetings did you have in 1941 of the Board of Governors? An answer to that is not very important at the moment to my point but will come up later.—A. Four regular meetings.

Q. Then, let me ask you the personnel who attended these meetings in 1941. Your first meeting was held when?—A. The 24th of March.

Q. 1941?—A. Yes.

Q. And who were present on that occasion?—A. The secretary will have to check that up to give me that information, I cannot remember.

Q. Now, Mr. Chairman, I do not want to be critical about decisions that this committee has made in the past, more particularly about the one that was made at the last meeting, but the difficulty of getting information that one wants to get with respect to the points I have raised here this morning indicates, it seems to me, a necessity that we should have some reference to the minutes of the Board of Governors of the Canadian Broadcasting Corporation, either that or else the chairman ought to be in a position himself to give me or any other member of the committee complete information on anything that is asked for. If we get that then, of course, there can be no objection so far as the non-tabling of the minutes are concerned. But it seems to me that in trying to arrive at a point, to find out whether or not those outlying parts of Canada are being properly represented regularly upon the Broadcasting Corporation Board of Governors' meetings I am not able, until the secretary checks it up and finds out who were at those various meetings, to find out as to what was done. Well, if it is so difficult to find out who were at the meetings how much more difficult it must be to find out what went on

at the meetings themselves. I make this criticism in a perfectly friendly way. I can see many reasons, and I was convinced by some of the reasons advanced the other day with respect to the necessity of not tabling all the minutes, perhaps, of the corporation, but it does seem to me that it puts a committee member in an impossible position and I think that some relaxation of the rule which was laid down very rigidly at the last meeting might readily be adopted by the committee. I do not want to cross-examine Mr. Morin for days at a time when a few moments would give me the information I want. But at the same time, in all fairness to the public, I do not know what else to do. I should like to leave that with the chairman. I do it in a most friendly attitude because we are only here to do our duty. We are not here to try to embarrass the Board of Governors, but only to get information upon which to pass specific constructive suggestions when this report comes into parliament. I think we should have a wider range of information than that which is obtainable here in the committee. I want to leave that with you, Mr. Chairman.

By Mrs. Casselman:

Q. Do the minutes of these executive meetings go out to each member afterwards?—A. No.

Q. The members who are absent have not the opportunity of checking what was done at the meetings from which they were absent?—A. They can get a report if they want it.

Q. The reports are not sent to them automatically?—A. No.

By the Chairman:

Q. But the minutes of the previous meeting, I presume, are read at the next meeting?—A. Yes.

Q. With reference to Mr. Graydon's question, is that information available now with reference to who were present at this particular meeting?—A. I am extremely sorry, Mr. Chairman, I have a very poor memory and I cannot remember of our nine members who were those who attended the first, second, third, fourth or fifth meeting two or three years ago, or the particular matters which were dealt with at the meeting.

Q. We have no quarrel with you; is it not a matter of record who were present at this meeting?—A. Certainly.

Q. Is it available at the moment?—A. Not at the moment, but I can get it in a short time.

Q. Can we proceed with it to-day or at the next meeting?—A. We are telephoning for it.

Q. We will have it shortly. Let us proceed.

By Mr. Claxton:

Q. Are the minutes of the executive read at the meeting of the Board of Governors?—A. Yes.

Q. You answered Mrs. Casselman's question that the minutes were read. The minutes of the executive are also read when the Board of Governors meet, are they?—A. Well, it is not quite right to say the minutes of the executive because the executive has not yet been appointed; but the minutes of the finance committee are communicated to the members of the board at each meeting and approved by them.

By Mr. Graydon:

Q. Now, Mr. Morin, there must have been some considerations which weighed very heavily with the board with respect to the appointment of these four members of the executive committee. I should like to know if you can draw on your memory sufficiently to tell the committee what really gave rise to the

necessity of appointing or arranging for the appointment of this executive committee.—A. Well, if you will look over the Act you will find that the Broadcasting Act provides for the appointment of an executive committee. Now, as the business of the corporation expanded it became more and more complicated. Our expenditures were increasing at a rate which, I might say, exceeded our expectations, and we came to the conclusion that a better control might be exercised by an executive committee which would meet, let us say, once a month or more often if necessary.

By Mr. Tripp:

Q. Did that executive committee have the privilege of conducting general business, making decisions of importance?—A. Yes. Just one moment, sir.

.....the Executive Committee shall have power:—

- (a) to manage the affairs of the Corporation, to control its finances and to supervise its operations, in accordance with the general policies laid down by the Board of Governors;
- (b) to define the functions, duties and responsibilities of the officers and employees of the Corporation and to direct them in the performance of their duties.
- (4) All decisions of the Executive Committee shall be reported to the Board of Governors at the next following meeting of the Board.

By Mr. Hansell:

Q. As I understand it, Mr. Morin, it would be possible for a member of the Board of Governors to be absent from several meetings over a period of several months or a year and yet not know what was going on except they corresponded themselves.—A. Well, you take the case of General Odlum who was in Great Britain. He did not attend the meetings; I do not suppose he knew what was going on although he may have had some correspondence with the manager or with certain of his colleagues on the board.

By Mr. Claxton:

Q. What was the date of the last meeting attended by General Odlum?—A. We will give you that information later.

By Mr. Hansell:

Q. It appears to me it would be possible for the Board of Governors or its committee to decide on some particular policy, some particular point in governing policy which, if a member were not there he would not know anything about, perhaps not be advised that this matter was coming up and would simply be at sea concerning the whole matter. It seems to me that would be a possibility; I am not saying that it has happened.—A. I know that in some cases—I would not say every meeting—I have written long letters myself to Mrs. McClung to explain what had taken place. I have no doubt that the members of the board who did not attend the meetings also wrote to the general manager to get information; and members who did not attend meetings have some idea of what is going to be dealt with because they are always sent copies of the agenda ahead of the meetings.

By Mr. Graydon:

Q. Mr. Morin, pardon my suggesting this, but if members of the committee, members of the Board of Governors, are entitled to receive copies of the agenda why would not it normally follow that they would also receive a copy of the minutes of the Board of Governors, which are very much more important than

the agenda?—A. There has been no decision by the board preventing its forwarding copies of the minutes to the members of the board who did not attend.

By Mr. Hansell:

Q. There is no objection to doing that?—A. I see no objection at all.

By Mr. Graydon:

Q. It has not been done.—A. It may have been done in some cases; I know in many cases I have asked for copies of a preceding meeting and I have received them.

By Mr. Tripp:

Q. The executive committee has no power to initiate general policy?—A. No sir.

Q. It just deals with general policy?—A. Exactly.

By Mrs. Casselman:

Q. Have any individual members complained that they have not been fully informed as to what went on?—A. Not to my knowledge.

Q. It is not a practical difficulty?—A. No.

By Mr. Graydon:

Q. May I say this to you, Mr. Morin, we are trying to arrive at some change of policy if necessary to improve the general situation in the corporation's affairs? What we have to-day, it seems to me, is going to lead us into difficulties so far as public ownership of broadcasting in Canada is concerned. First of all you have two ministers responsible for various parts of the Canadian Broadcasting Act, two ministers to start with, divided responsibility there. Then you have a Board of Governors, which intends now to set up an executive committee of four. There may be argument as to whether there is any division of responsibility there, but certainly there is a division of work with respect to the Board of Governors. Added to that down lower you have now in the last year or so an ingenious division of authority with respect to the general manager and the assistant general manager, and added to that, if one takes the evidence and analyses it of the Minister of National War Services, you have not any real single channel through which the news or the informational broadcasts by the government go to the Broadcasting Corporation. It seems to me that we ought to bear it very clearly in mind if you are going to have a really first-class business set-up with respect to the Canadian Broadcasting Corporation, you cannot have too many bosses. And if I may properly say this in the committee, I think that is one of the difficulties with public broadcasting in Canada. I think that is one of the difficulties that public broadcasting in Canada is suffering from now. You have too many bosses. In addition to that I think the question of the necessity of setting up a committee of four may be perfectly all right, but I have not gone far enough into the evidence to form an opinion as to the advisability of it. No doubt the Board of Governors was perfectly convinced it was the proper thing to do, but I certainly think that if, as the chairman has said, the work of the Broadcasting Corporation is getting more extensive and more intensive, if you like, at the same time the work of the Board of Governors is becoming more urgent and perhaps of more public importance day by day. Then, surely there must have been good and cogent reasons why the Board of Governors should have been called more often than three or four times a year. That is the thing that concerns me as a member of the committee, because as I look at the records, although I have

not been able to get them yet from the chairman, there has been no increase in the number of meetings held in spite of the chairman's statement that the work of the Broadcasting Corporation demands more of the attention and more careful study and consideration by that board as its ramifications become more extensive in the country. I should like to ask the chairman as to whether he has considered the question of calling the Board of Governors monthly at any time during the last year or two. Has that come up for discussion in the minutes?—A. No.

Q. It has not?—A. No.

Q. It was not discussed at the time that the executive committee was discussed?—A. It was acknowledged, in so far as I can remember, that it was hardly possible to bring in all the members of the board to attend meetings monthly. Take the case of the Vancouver members. It takes four or five days to come, four or five days to go back, and to spend three or four days here they would be travelling a lot to attend our meetings. The corporation is a business. You have the set-up of a business, if you like. In a business concern what do you find? You find practically in every case a board of directors composed of many members. You also find an executive dealing with more urgent matters and the matters of internal management or internal routine. The Act provided for the appointment of an executive committee; it was therefore in line with the policy of parliament in creating the C.B.C. to appoint an executive committee to deal more closely with the internal management. I will tell you frankly we thought that the amount of salaries or wages paid to our staff was increasing; that our staff was enlarging too fast. What did we do? We created this executive committee and we said that in future all appointments made by the management would be subject to ratification by the executive committee; that the revision of salaries also would be under the control of the executive committee, all for the purpose of exercising a closer control than had been possible in the past.

Q. I can see your point there very clearly, although the other thing is this. The Canadian Broadcasting Act was passed by the government, and this power was given to the Board of Governors in 1936?—A. Yes.

Q. What were the considerations that operated to prevent the setting up of the executive committee until now?—A. Well, it was a growing organization and it was normal at first that the management should attend to that, make the appointments and so forth; and the general manager was authorized by the first by-laws to make the appointments up to a salary not exceeding \$4,000. This went on—

Q. The General manager has that power up to \$4,000?—A. He had that power; now he no longer has it since our by-laws were amended.

Q. Who has it now?—A. The executive committee. He makes temporary appointments, and those appointments must be ratified by the executive committee.

Q. When was that power taken away from the general manager to appoint anybody under \$4,000?—A. In 1941, when we passed the amendments to our by-law creating the executive committee.

Q. After you took that power away from the general manager what has happened with respect to the appointment of those over \$4,000?—A. Well, the appointments were made by the management whenever necessary, but at the next meeting a report was made to the board or to the finance committee as to all appointments, as to what increases of salaries had taken place, and those were considered and ratified if necessary or the increases in salaries were rejected if they were found unjustified and not sufficiently supported.

Q. With regard to this finance committee that you speak of, what constitutes your finance committee?—A. It is composed of the chairman, the vice-chairman and one of our members, Mr. Godfrey of Halifax.

Q. Is your finance committee still to function?—A. No; as soon as the executive committee is appointed the finance committee will cease.

Q. When was your finance committee set up first?—A. Oh, that was right at the beginning.

Q. 1936?—A. 1936 or 1937, at one of the first meetings.

By Mr. Hansell:

Q. What is the real function of the finance committee? Generally speaking finance committees are engaged a good deal with the raising of funds. I fancy your finance committee would not have to do that; would it be a spending committee? What is the chief function of it?—A. To get reports on income and expenditure, to analyse them and then make reports to the Board of Governors, because the finance committee is an internal committee; it has no legal existence other than—

By Mr. Graydon:

Q. A creature of the board?—A. A creature of the board.

Q. Not responsible to anybody else but the board?—A. No. The finance committee cannot make a decision; it can analyse matters, find out things, dig into the operation of the corporation more closely than it could be done at a meeting of the board, and then report its findings to the board which takes whatever action it deems necessary.

By Mr. Hansell:

Q. Would it ever have to make any important decision at all?—A. First we study the budget each year; that is one of the important duties of the committee. We spend hours on that discussing it and then we make our report to the board and the board passes the budget.

By Mr. Tripp:

Q. This executive committee is supposed to consist of four?—A. Yes.

Q. It has not yet been appointed?—A. No.

Q. Has anybody been exercising authority of the executive committee at the present time?—A. Well, the finance committee has been trying to fulfil what will be the functions of the executive committee except that it has no authority; it has not got the authority which the executive committee when appointed will have.

Q. Are they passing on the salaries?—A. Yes.

By Mr. Graydon:

Q. You have not been able to get any information with respect to these meetings yet?—A. It is on the way.

Q. During the evidence given by the Minister of National War Services to the committee the other day—I think perhaps you must have heard it or part of it as I saw you here.—A. Yes.

Q. You would have heard during that evidence a discussion which arose with respect to the question of the manner in which the informational broadcasts of the government and its various departments were canalized to the Broadcasting Corporation. The minister, while defending the present set-up and giving strong arguments with respect to it, stated that there had been an interdepartmental committee set up under the chairmanship of Mr. Justice Davis, Deputy Minister of National War Services, whereby the informational releases of the various departments of the government were being co-ordinated. Some question arose as to whether or not that had gone far enough. Personally I think it has not gone nearly far enough, but that is only one man's opinion.

I was wondering if you, as chairman of the Board of Governors, could tell us whether there had been any conference with the government with respect to the question of general policy relating to informational broadcasts from the various departments since war broke out?—A. One at a meeting of the board when the Minister of National War Services attended—

Q. What meeting was that?—A. The last one.

Q. What date was that?—A. April 15 and 16.

Q. This year?—A. Yes. I mentioned to the minister that the C.B.C. would like to get any government announcement at least at the same time as it is given to the press and perhaps ahead of them.

By Mr. Hanson:

Q. What minister, Thorson or Howe?—A. Mr. Thorson. One of our officers keeps in contact with the government. The minister took note of that.

By Mr. Graydon:

Q. Was that the sum and substance of the discussion which took place with respect to this particular matter?—A. Yes, it was merely an invitation to the government to give us more news.

Q. It was an invitation from whom?—A. From the C.B.C., from myself as chairman.

Q. To give you more news?—A. To give us more news, give us news more quickly.

Q. In other words, you wanted to get a little ahead of the papers again. May I ask this, Mr. Morin? In your supervision over the affairs of the Broadcasting Corporation has there been any complaint from the management or from the program department or from any other department of the C.B.C. with respect to the matter or manner in which the government releases their broadcasting from each department direct to the Broadcasting Corporation? Has there been any fault found with that?—A. Not to my knowledge.

Q. That has never come to you?—A. No.

Q. In other words, so far as you know, the Canadian Broadcasting Corporation is thoroughly satisfied with the arrangements which at present exist?—A. So far as I know, yes.

Q. Have you given any consideration in the meetings of the Board of Governors to this point at all, the meeting which was held on the 15th and 16th of April?—A. Not to my knowledge.

Q. When war broke out was there any conference held between you as chairman of the Board of Governors and the appropriate minister in charge of the government with respect to the question of the policy which should be pursued as between the corporation and the government with respect to informational broadcasts and informational news?—A. When the war broke out I was not chairman, I think Mr. Brockington was.

Q. You would know, of course, if there had been any policy laid down?—A. Not to my knowledge.

Q. You would know if there had been any policy discussed or anything agreed upon in that regard, would you not?—A. Not to my knowledge.

Q. You heard of nothing of that kind?—A. A meeting like that would have taken place probably with the general manager; if it did take place.

Q. Let us differentiate there. The general manager has not the power, as I see it, to settle upon the policy as between the Canadian Broadcasting Corporation and its relationship with the government. That would be, as I take it, a matter within the purview only of the Board of Governors itself.—A. It did not come before the board.

Q. There was no conference so far as you know, no settlement of policy between the government and the C.B.C. since the war broke out with respect

to informational broadcasting. If I may just tender this information it may be helpful. After you hear it, it may be that the Board of Governors or the government or both, in view of the different circumstances, might agree to follow the suggestions made by other governments. I think it is only proper that if there is some good in other governments and other organizations of this kind that we should adopt them. I think everybody will agree with that. In the United States—and I want everyone to bear in mind that there is a vast difference between broadcasting in the United States and broadcasting in Canada because they have not a publicly-owned and controlled radio system as we have here, as you know—in the United States the government departments through which come the releases of informational broadcasts, if you like to call them that, from the government, at the insistence of the president himself, felt that some definite policy ought to be laid down with respect to radio during war time. This is distinctly in contrast, if I may say it, with respect to the arrangements or lack of arrangements which have been made between the government here and the chairman of the Board of Governors with respect to this very point. In January of this year the president himself designated the Radio Division of the Office of Facts and Figures under William B. Lewis as the clearing point for all government information which has to be cleared over the radio in the United States. That information did not come to me when I first raised this question in the committee; but it has since come to me from an authority here that that very suggestion which was raised in the committee here has been adopted by the United States government; and while it may be said that the interdepartmental committee under Mr. Justice Davis has gone a certain step towards that, it seems to me that we have not gone nearly far enough, having in mind the interests of the Canadian Broadcasting Corporation particularly of which you are chairman.

I think if you, Mr. Chairman, were to go into the matter a little more fully you would come to the same conclusion. There may be some settlement of policy with respect to the differentiating of news and informational broadcasting from the departments through some central clearing house of government, the same as they have in the United States, so that the Canadian Broadcasting Corporation would be able at least to know what the government policy was. Now, there has been apparently no conference between the chairman of the Board of Governors and the government settling a government policy with regard to the various releases as I pointed out before. I can see, perhaps it does not work out in a practical way the way one sees it in theory, but certainly it does seem to me the outpouring of information from a dozen different departments and perhaps more than that through Mr. Justice Davis into the Broadcasting Corporation must sooner or later lead to some kind of chaos and I think some simple advisory interdepartmental committee is essential. I was wondering if the chairman had given any thought or study to what has been done in the United States with respect to that very point.—A. Your statement is the first information I have had on this point; but even if there was any formal meeting or discussion with the representatives of the government and myself as chairman I am inclined to believe that the matter has been followed up closely by the general manager and this interdepartmental committee.

Q. Have you ever had a conference with the interdepartmental committee yourself?—A. No, sir.

Q. Nor with the minister with respect to it?—A. No.

The CHAIRMAN: Do you wish to follow up your other point? The information is here now.

By Mr. Graydon:

Q. I should like to have the names of the Board of Governors present at the various meetings since the last broadcasting committee met and the dates of those meetings, if I may.—A. Instead of reading that statement perhaps I could hand it over to the reporter?

Q. May I say for cross-examination purposes to-day I should like to know something about it? After all, I cannot wait until tomorrow.—A. March 20-22, 1939—

By the Chairman:

Q. Excuse me, would that be a three-day conference, the 20th, 21st and 22nd?—A. Yes, we have usually a session of at least two days and quite often three.

Q. Are sessions of the Board of Governors held at any other point other than Ottawa?—A. Some were held in Quebec, Regina, Toronto and Montreal, but now they are held exclusively in Ottawa.

By Mr. Graydon:

Q. Since 1939 have any been held in Ottawa?—A. Since I have been chairman they have all been held in Ottawa. Those present were: Mr. Brockington, Mr. Morin, Mrs. McClung, General Odlum, Mr. Godfrey, Mr. Nathanson, Canon Fuller and Mr. Plaunt.

Q. A full meeting?—A. A full meeting. Archbishop Vachon had resigned; there was one missing at that meeting. Then on July 5-7, 1939, we had a full meeting as follows: Messrs. Brockington, Morin, Nathanson, Canon Fuller, Mrs. McClung, Messrs. Plaunt, Pouliot, Odlum and Godfrey. Then at the meeting of October 16-17, 1939, all members were present except Mr. Plaunt who was ill. The members present were: Messrs. Brockington, Morin, Nathanson, Canon Fuller, Pouliot, Odlum, Godfrey and Mrs. McClung. On January 22, 1940, Messrs. Morin, Nathanson, Canon Fuller, Pouliot, Odlum, Godfrey, and Mrs. McClung.

By the Chairman:

Q. Excuse me; when you give the date of the meeting give the names of those who were present.—A. We now come to the meeting of April 15-16, 1940. At this meeting the following were present: Messrs. Morin, Nathanson, Godfrey, Pouliot, Plaunt, Thomson, Mrs. McClung and Canon Fuller.

By Mr. Graydon:

Q. Is that Dr. Thomson's first meeting?—A. His first meeting.

Q. He had just been appointed, I suppose?—A. Yes. Then, there was a special meeting on June 1, 1940, at which the following were present: Messrs. Morin, Nathanson, Odlum, Godfrey, Plaunt, Pouliot and Canon Fuller. There was a special meeting on June 27, 1940, at which were present Messrs. Morin, Nathanson, Godfrey, Pouliot, Plaunt, Thomson, Mrs. McClung and Canon Fuller. Then, there was a special committee meeting on July 17-18, 1940, at which meeting were present Messrs. Morin, Nathanson, Godfrey and Plaunt. Then there was a special committee on August 18, 1940, at which the attendance was the same as above. There was a meeting on August 19-20, 1940, at which were present Messrs. Morin, Nathanson, Godfrey, Plaunt, Pouliot, Thomson, Mrs. McClung and Canon Fuller. Then on November 26, 1940, there was a meeting at which were present Messrs. Morin, Nathanson, Pouliot, Godfrey, Thomson, Mrs. McClung and Canon Fuller. There was a meeting on March 24, 1941, at which were present Messrs. Morin, Nathanson, Godfrey, Thomson, Pouliot and Canon Fuller. Then on June 9, 1941, there was a meeting at which the attendance was the same as the above. The meeting of June 9, 1941, was the general meeting.

Q. How many days did you state that general meeting consisted of? I am interested in that.—A. Only the 24th, one day, March 24; June 9, one day; September 15, one day.

Q. Wait a minute now. You say the June 9th meeting was one day?—A. One day.

Q. I had it down as the 24th here.—A. March 24.

Q. June 9?—A. June 9 another meeting.

Q. One day?—A. One day.

Q. Who were present?—A. The same members as on March 24. And the same applies to the September 15 meeting, and also to the November 17 meeting. Then, on April 15-16, 1942, there was a meeting at which were present the same members as above with an addition, Mr. Holland, the new member from Vancouver.

Q. Then Mr. Holland took General Odlum's place?—A. Yes.

Q. In your evidence at the last sitting here, Mr. Morin, the question of the resignation of the late Mr. Alan B. Plaunt was discussed in a very general way. I think if I remember correctly in your statement—and I hesitate to quote verbatim because I only took the general impression—you stated that Mr. Plaunt had been present at a meeting I think on June 1, 1940, and that he had agreed to the matter of consideration of his report and that of Mr. Thompson to stand over until a later session.—A. Yes.

Q. The Plaunt-Thompson report, as I have it here from sessional paper No. 124-A, was dated September 30, 1939. Your first meeting after that report came in was October 16-17 at which all members were present except Mr. Plaunt, according to my notes.—A. Yes.

Q. Was that meeting of the Board of Governors called to discuss this report on organization and personnel?—A. The meeting of November?

Q. No, October.—A. No; it was not called for that purpose because the report of Mr. Plaunt was to be deposited at that meeting. Mr. Plaunt was to report at that meeting, but unfortunately I saw him on the eve of the meeting. He intended to come the following day and he fell ill during the night and he could not come, to our great disappointment. We received the report.

Q. You received the report at that meeting?—A. At that meeting.

Q. Was there any discussion on that report at the meeting?—A. I think we read it—I do not know whether we read it all, but took communication of it in a general way and decided to wait until the next meeting before doing anything because in his report Mr. Plaunt had said that his observations would be supplemented by what he called verbal illustrations, additional information, which we needed to pass on it.

Q. Do your minutes show that there was any intensive discussion of this report at that meeting? I do not want you to draw from memory on this, I should like you to refer to your minutes with respect to this so that we will know what happened at that particular meeting.—A. No, there was no long discussion of it.

Q. Was there any discussion on it?—A. Well, it was merely mentioned that it was received, that it was to be supplemented by other information to be given by Mr. Plaunt and we would take it into consideration at our following meeting and that in the meantime the members would have the opportunity of studying these reports to be able to discuss them more intelligently at the next meeting of the board.

Q. Then, your next meeting of the board, I take it, was on January 22, 1940?—A. Yes.

Q. In view of the importance of the report was any suggestion made with respect to holding a special meeting to deal with it?—A. Mr. Plaunt again was ill and did not attend that meeting.

Q. I am speaking now— —A. Of the January meeting?

Q. No, I am speaking now of whether or not there was any consideration given at the October meeting with respect to calling a general meeting relative to the points raised by Mr. Plaunt's report.—A. No.

Q. At that particular meeting you also saw another report—you were getting lots of reports about this time—and that was a report on the structural organization and financial administration of the Canadian Broadcasting Corporation. This report is a rather voluminous one and deals with many figures and the detailed financial set-up of the corporation and was dated the 23rd of September, 1939. That report was prepared, I presume, at the instance of the Board of Governors?—A. Yes.

Q. By Clarkson, Gordon, Dilworth and Nash of Montreal?—A. Toronto.

Q. It says Montreal here. I am told by Mr. Claxton, who is an authority on this, that they have offices both in Montreal and Toronto. May I ask you this: Was that report considered by the meeting of October?—A. It was only received, so far as I remember, and it was understood that the members would study it at leisure to be able to discuss it at the next meeting.

Q. Was it suggested by anyone there at that meeting that these two reports which went to the very root of the important branches of the radio set-up should be considered earlier than January, 1940?—A. Not to my knowledge.

Q. Were you the chairman at that time, Mr. Morin? Mrs. Casselman says you were appointed on the 23rd of January, 1940.—A. Yes.

Q. So that at that meeting it would be Mr. Brockington who would be in the chair?—A. Yes.

Q. You were present at that meeting?—A. No doubt I was.

Q. Was there anything further done by way of direction by the Board of Governors other than simply taking it for granted that the members should digest this at their leisure?—A. I think at the meeting in October that was the only thing done. We gathered the general idea of the report and found that there was nothing which required urgent action.

Q. So the report must have been considered if you found there was nothing requiring definite action; you must have considered the report.—A. I know we took no action on it except to decide we would make a fuller study of it. All the members were given a copy and it was understood that they would study it to be able to discuss it.

Q. How long did this meeting last, Mr. Morin?—A. On the 17th?

Q. Yes, two days?—A. About two days, the 16th and 17th.

Q. Was there a detailed report of Mr. Plaunt's at that meeting, and was it dealt with paragraph by paragraph at the meeting or read over in any way?—A. No.

Q. It was not?—A. No.

Q. Then how did the Board of Governors arrive at the conclusion that there was nothing very urgent in the matter and that it could be left over?—A. Well, by reading the conclusions.

Q. But not by reading the various recommendations that were made in it?—A. Take the Thompson report; it is a voluminous document, and it would not have been convenient for the members to study it at the meeting. We knew it would take hours to read and study it, so it was decided that the members would read it individually and then we would discuss it after having taken communication of it at the next meeting of the board.

Q. In other words, the two reports were actually not dealt with by the Board of Governors?—A. Not at that meeting.

Q. Then at whose instance was the board convened again in January; was that for the purpose of dealing with these reports?—A. No; the meeting was called to transact business generally, but not particularly to deal with that.

Q. Was there any special meeting of the Board of Governors called to deal with either of these two reports?—A. No. Let me tell you this, it was at the spring meeting, it was the first meeting attended by Mr. Plaunt after he made his report that it was decided to appoint a committee including Mr. Plaunt, composed of Mr. Godfrey, Mr. Nathanson, Mr. Plaunt and myself, to hear Mr. Plaunt give his verbal explanation. Then Mr. Plaunt left for Bermuda. He was still a sick man, so the meeting had to be postponed and on his return from Bermuda we decided to call a meeting the 7th or 8th of June and we had agreed on that, but unfortunately I think it was Mr. Godfrey or Mr. Nathanson wired or telephoned that he could not attend on the date on which it had been set so the committee decided to deal with it at the meeting to take place later on, and we had in mind going carefully over the Plaunt report at that meeting. Unfortunately we had to receive delegations and to deal with the news, and we spent two days on it. Certain members of the board felt that they had other engagements that they had to go back, so it was impossible to deal with Plaunt's report because Mr. Plaunt wanted to have a full day on it.

Q. What date was that, Mr. Morin?—A. In the summer meeting, the August meeting.

Q. August 19. Was Mr. Plaunt at that meeting?—A. Yes, he was there.

Q. Is that the first meeting at which any move was made to consider Mr. Plaunt's report or the Thompson report?—A. Members of the finance committee and members of the board had in the meantime seen these reports that were presented and had gone over them.

Q. The finance committee had gone over them?—A. Yes.

Q. Who were on the finance committee who went over these reports?—A. Mr. Godfrey, Mr. Nathanson, myself—

Q. I want to get the chain of this, I do not want you to think. This is a very important thing, and I know you will understand that. When did the finance committee first deal with these two reports that were received in October, you and Mr. Nathanson?—A. I should say at the January meeting.

Q. The finance committee met more often than the general meetings of the Board of Governors?—A. Yes.

Q. Had they met between October and January?—A. No.

Q. They had not?—A. No.

Q. Then, the finance committee met in January, 1940?—A. Yes.

Q. And dealt with the question of these two reports?—A. Yes.

Q. Was any report made to the Board of Governors when they met on the 22nd of January?—A. Yes, because decisions were taken by the Board of Governors at that time to give effect to certain of the recommendations made by the finance committee as a result of the recommendations made by the Plaunt and Thompson reports.

Q. That is becoming clearer. At the January 22 meeting, 1940, the finance committee, including Mr. Nathanson, Mr. Godfrey and yourself, had gone over the two reports?—A. Yes.

Q. And then they presented to the Board of Governors certain recommendations?—A. Yes.

Q. Arising out of the recommendations of the two reports; and the Board of Governors then proceeded to deal with these recommendations which the finance committee had given to them as worthy of consideration?—A. Yes.

Q. What in particular were those points which the finance committee saw worthy to submit to the Board of Governors at that January 22, meeting? I think that is a most important point and I want to get some information on it.—A. I am speaking from memory.

Q. If I may suggest, I do not want you to speak from memory, I want you to speak from the minutes of the Broadcasting Corporation which we are not able to see.—A. Our accounting had been made on what we call a cash basis, one of the recommendations of the Thompson report was to change to an accrual

basis. We decided we would follow this recommendation. Our depreciation had been provided for in a certain way. The Thompson report recommended another method of providing for depreciation and we decided that our accounting would be done in compliance with the recommendations made by Mr. Thompson. That is two particular points where we took action. We decided also not to take action on the centralization of the offices in either Montreal or Toronto.

Q. That was in the Thompson report too?—A. Yes. That is a matter which was postponed on account of the war. We all agreed the recommendation is a very sound one, but we did not have the accommodation either in Toronto or Montreal to do that and during the war we felt it was important that the head office should remain in Ottawa; so we decided to leave the main office in Ottawa and postponed action on this recommendation until after the war.

Q. I take it it was not a question of principle but a question of expediency during the war?—A. Yes. The committee recommended the establishment of a financial control. We dealt with that in 1941 when we created the executive committee.

By the Chairman:

Q. What do you mean about the matter of financial control; is that so far as the internal management is concerned?—A. Yes. We adopt a budget and we want someone to control the expenditures to see that they are in conformity with the budget and that provisions made by the budget are not exceeded.

Q. Who previously did that?—A. The treasurer or the general manager. I do not know how it was done. Since that time we have appointed a financial controller whose particular function is to deal with that.

By Mr. Coldwell:

Q. On what date in 1941 was that done?—A. April 29.

Q. Was that due to the letter received from Mr. Watson Sellar, the Auditor General, and dated February 25?—A. I do not remember the letter.

Q. I have a copy of the letter here. It was written to Mr. Howe and is as follows:—

Dear Mr. Howe;—The broadcasting act places at the command of the broadcasting corporation certain moneys and, within the terms of the act, the corporation decides on the purposes to which these moneys are to be put.

Section 19 gives to you, as minister, powers with respect to the accounting system, reports, et cetera, and the following section names this office as auditor of the corporation.

Certain points have been brought to my notice, and being in doubt as to the authority to whose notice I should bring them, I address this letter to you.

The act provides that the general manager is to be appointed by the governor in council. This was done and the salary named by order in council. On examining the records of the corporation, it is observed that an allowance at the rate of \$4,800 "at the base of operations," was authorized by the board, "pending an adjustment in the general manager's salary, as requested by the board." In view of the language used, the question arises as to the administrative power to give such a direction, if the true interpretation to be given to the act is that payments to the general manager are within the sole discretion of the governor in council.

Associated with this is a second point which arises out of the fact that last spring the Minister of Finance gave to the House of Commons an explanation of the interpretation to be given by the income tax authorities to living allowances paid to various men on war work for the crown. The

corporation has left to the general manager the question of deciding what officers may be paid per diem allowances and the amounts which may be claimed, in lieu of actual details, when away from their official stations on official business. The accounts show that \$20 is the amount claimed by the general manager, but this has apparently been selected by himself as being commensurate with his disbursements. The sum involved is not of concern, but it seems to me probable that the decision in such a matter is associated with the powers of the governor in council, or is one which rests on the board.

After you have had an opportunity to peruse the attached memorandum—which was prepared on my instructions to illustrate the problem—might I be informed:—

- (a) If you are satisfied that the corporation acted within its powers in granting the \$4,800 annual allowance to the general manager ? and
- (b) If the establishing of a per diem travel allowance to the general manager is a subject of concern to the governor in council?

Yours faithfully,

WATSON SELLAR,
Auditor General.

A.—The financial controller was not appointed on account of that letter; the creation of the office of financial controller was made in accordance with the recommendations of the Thompson report.

Q. Can you give us an explanation of the reasons why this letter was written, Mr. Morin?—A. No.

Q. You have no knowledge. Was this letter brought before the board? A.—I do not remember.

Mr. GRAYDON: Would not your minutes show that?

The CHAIRMAN: What is the date of the letter?

Mr. COLDWELL: February 25, 1941.

By Mr. Coldwell:

Q. Was not that brought before the board? That is a very important question he asks, of course, of the minister who is responsible to parliament. His first question is:—

- (a) If you are satisfied that the corporation acted within its powers in granting the \$4,800 annual allowance to the general manager; and
- (b) If the establishing of a per diem travel allowance to the general manager is a subject of concern to the governor in council?

He refers to a memorandum which he attaches to this letter. Would not the records of the corporation show that this letter was brought before the corporation and the memorandum?—A. I do not think so. There is no mention of it in the minutes.

Q. Well, it seems to imply, in the opinion of the Auditor General, the corporation had gone beyond its authority. He questions the correctness of making the allowances that had been made and the manner in which they were made; and he expresses the opinion that this is not a matter for the corporation, but is a matter of interest to the governor in council, and I wondered if the change of policy regarding the finance committee was due to the fact that this letter had been submitted to the corporation. Would not the minutes show whether or not this letter was discussed by the board?—A. I do not think any mention of it would appear in the minutes.

Q. It is such an important matter. Surely a letter of this description, such a serious implication would be brought before the corporation, if not someone has been very derelict in their public duty. That is why I thought, Mr. Chairman, that it was necessary we should have access to these minutes.

The CHAIRMAN: The witness says this communication would not appear before the Board of Governors.

Mr. COLDWELL: He does not recollect, I think.

The CHAIRMAN: He makes the definite statement the communication was not.

The WITNESS: So far as I remember; this is the first time that I heard of that letter.

Mr. COLDWELL: Then we will have to get Mr. Howe to explain why a letter of this description was not brought to the attention of the board.

By the Chairman:

Q. Was there a communication based upon that letter that came before the board?

Mr. COLDWELL: I presume that a matter of this description would come before the board in the form of a communication from the minister appended to it this letter and the memorandum referred to in the letter. But if Mr. Morin has no knowledge of it there is no use of pressing it further. I think Mr. Howe will have to be called.

The CHAIRMAN: It may be brought up when Mr. Howe appears.

Mr. GRAYDON: I do not know how far we are going to go in this question of minutes because I think sooner or later we will have to have a show-down on this question.

The CHAIRMAN: Do you not consider what happened the other day a show-down?

Mr. GRAYDON: Yes, I realize that, but it is not the last show-down. That was a preliminary skirmish, if I may say so. Surely the policy is not going to be for the chairman in giving evidence, when he has in his hands, or should have in his hands, the minutes of the Board of Governors, to say so far as my recollection is concerned I do not recall any letter of that kind having been produced. Surely there may have been cogent reasons why the general minutes of the board were not thrown open to this committee; but there cannot be the slightest reason advanced, worthwhile reasons, whereby you cannot cross-examine the chairman of the Board of Governors and have him refer at the same time to the minutes of that meeting. We do not ask him to read them; we only ask him to read them himself and then give us the information. He then is the custodian of what is right and what is wrong with respect to the divulging of the information. I can understand Mr. Morin's difficulty; I have a deep sympathy for him as he sits there, because if I were in the same position I would want to recollect some things rather than refer to the minutes for them; but surely the committee is entitled to that if we are not entitled to the production of the minutes. We surely are entitled to have Mr. Morin in his examination by members of this committee refresh his memory by referring to these minutes and telling this committee it is not only his recollection that the letter was not there, it is not only his recollection that it was not discussed but that the minutes, after he has referred to them, show that it was not discussed.

Mr. CLAXTON: I agree completely with the statement just made.

The CHAIRMAN: Well, then, will it suit you to have them produced at the next meeting?

Mr. ISNOR: What do you mean, "produced"?

The CHAIRMAN: The information which has been asked for.

The WITNESS: From the secretary of the executive committee?

By Mr. Graydon:

Q. By that time you are in Montreal and it is you we want to get the information from.—A. You want information that appears in the minutes, and the secretary of the board keeps the minutes. He can refer to them and give you that information just as easily as I can.

Q. If that is the procedure that is to be followed it looks like a double-barrelled procedure; if we are going to have you sit here with the minutes and whenever your recollection fails you call on Mr. Manson, that is divided cross-examination. I do not think that is fair. You can readily see, Mr. Chairman, why we were pressing for the production of the minutes. It was not a matter of going on a fishing expedition, as someone suggested, because the less fishing expeditions there are relating to public ownership the better. I think the public is entitled to have something better than simply the recollection given, as it may be, of Mr. Morin. I think we should have some reference to the minutes when these matters arise that go right to the root of the whole policy that has been followed by the Board of Governors.

Mr. CLAXTON: I think we should have what was stated by Mr. Graydon in the last part of his former remarks. I think this witness, or any witness, who is asked a question as to what happened at a meeting and his recollection is imperfect, should naturally in the ordinary course of events refer to the minutes so as to refresh his memory and be able to say with regard to these reports what happened, and if it happened, what happened. I think that is perfectly proper and I think that Mr. Morin would only be too glad to give us that as we go along.

Mr. COLDWELL: The minister must have made a reply to this letter. He could not have made a reply to this letter without having submitted the complaint or the question to the corporation; consequently it must have been discussed by either the Board of Governors or by the officials of the corporation. In a matter of this description I can scarcely think that the minister would be satisfied with discussing it with the general manager, we will say, unless a matter of this importance was referred to the Board of Governors, and if it was referred to the Board of Governors surely there would be some minutes recognizing the fact that it had been discussed and probably what reply was given. I should like to know what explanations or what reply there could be to Mr. Watson Sellar's letter. Of course, the reply would have to originate with the Board of Governors—

The CHAIRMAN: You would not get that reply here.

Mr. COLDWELL: I am saying this, that the reply, of course, while it would be sent by the minister, would be the result surely of a conference between the minister and the Board of Governors of the corporation. That is why it seems so extremely important that the Board of Governors be sent a copy of this letter. I am not questioning the chairman's memory at all.

The WITNESS: The matter of the entertainment allowances of the general manager came up before the board. First the board passed a resolution granting him an allowance and then at a later date, probably at the time this letter was sent, the matter came up again before the board and the decision of the board was that it was necessary to vote an entertainment allowance to the general manager. I think that it was reduced from \$4,800, which it was originally, to a little lower figure, around \$4,000 or \$3,000.

By Mr. Graydon:

Q. What was that for?—A. Entertainment allowances.

Q. What do you mean by "entertainment allowances"?—A. Well, a sum voted to the general manager to indemnify him for the expenses incurred in receptions given in his home or whilst in Ottawa here as distinct from the travelling allowances to which he is entitled when he is out of Ottawa.

By Mr. Coldwell:

Q. What is the salary of the general manager?—A. \$13,000.

Q. What was the reception allowance at this time?—A. Now, it is—

Q. What was the reception allowance?—A. At this time?

Q. No, then.—A. \$4,800.

Q. What was it to cover?—A. His expenses here in Ottawa in receptions, dinners, and so forth.

Q. Then in addition to that the board made an allowance of \$20 a day?—A. When he was out of town.

Q. Out of the city?—A. Yes.

Q. The board made that allowance?—A. The board passed a resolution—I do not remember exactly the terms—fixing the travelling allowances of the staff in a general way and special allowance in the case of the general manager.

Q. There you see the chairman says “I do not remember exactly.” I should like to get the definite facts in connection with it, not from memory. Again and again we come back to the minutes. When was this allowance made and was it the result of any approach made by the board generally or by the minister or by any other person?—A. The general manager can answer these questions much more easily than I can.

Q. Oh, yes, but you are the chairman of the board and this is the general manager’s expenses that are involved in this question. I do not think it is fair to ask the general manager. We will have to wait until we see the minutes. There is another question I should like to ask Mr. Morin while he is on the stand. He comes from Montreal. There has been considerable criticism of the programs in the province of Quebec both by newspapers and certain public men. I referred to them from time to time in the house. I have already been told, of course, this criticism largely originated from people who are unfriendly to the government and it is a reflection upon the government very often by such persons, although I have never accepted that as an explanation. Now, on Thursday last, May 14, an editorial appeared in *Le Canada*, which is a paper which is looked upon very largely as speaking quite often for the Liberal party and friendly therefore to the government. It was signed by the editor in chief, Edmond Turcotte, and it is headed—I will give you a rough translation of it, I have the original in French here, I think the rough translation is correct—it is headed, “What to think of the C.B.C.?” and reads as follows:—

An inquest on radio is taking place before a committee of the House of Commons. The committee should have enough to keep it occupied—

Mr. GRAYDON: Is the word “inquest” the right translation?

Mr. COLDWELL: Yes.

Mr. GRAYDON: I would not like to think of it as an inquest.

Mr. COLDWELL: Perhaps you could change that word to inquiry.

What to Think of the C.B.C.

An inquiry on radio is taking place before a committee of the House of Commons. The committee should have enough to keep it occupied, especially the French members.

Why doesn’t somebody understand more clearly the tremendous stakes, not only material, but ideological, of the war?

Two federal agencies have the mission of supporting public morale. They are the Department of Information and the Canadian Broadcasting Corporation. If, after two and a half years of war, the mass of French Canadians do not yet know for whom and for what the war is being fought, whose fault is it?

Goebbels is a liar, but he has the ability to make his lies believed by the Germans—and even by certain Canadians. And we—we haven't known how to make the full extent of the truth clear to French Canadians. There is someone or something that is a hindrance somewhere.

For a long time clear-sighted critics have denounced the inadequacies of the C.B.C. One who pretended to believe that these critics were inspired by envy or malevolence. But to-day the failure is too evident. It must be liquidated. And time passes. We must hurry before the situation becomes irreparable.

Mr. Augustin Frigon is a man of good-will. But he is a technician. Nothing in his training has prepared him for the subtleties of propaganda. And he is inclined, by temperament, to a sort of smiling and sceptical indulgence for the weaknesses of his subordinates. He is wrong to depend so much on Mr. Jean-Marie Beaudet who is only, himself, a musician, which certainly doesn't confer on him any particular competence in the field of propaganda during war time—especially when it concerns a democratic war.

Fascism wages this war against us everywhere in the world as an ideological one. This is its most fearsome weapon because it is a weapon which paralyses all others. And this type of war had been waged against us for a long time before September, 1939. However, the masters of our propaganda, in the C.B.C. and elsewhere, did not understand this, and still don't. How are we to hope, then, that those blind individuals of yesterday will learn how to find to-morrow—especially in view of the delicate situation revealed in Canada on April 27—the intelligence to provoke that fertile psychological initiative and magnetism to weld resistance against the poisonous propaganda of the enemy?

The masters of our propaganda have the desire to do well, it will be said. Fine! But the country is filled with men and women who have the desire to do well. Unfortunately that does not suffice.

The director of French programs at the C.B.C., some four or five years ago, was Mr. Aurele Seguin. One day he fell gravely ill and Mr. Beaudet replaced him provisionally. And the provisional became permanent.

For a long time all sorts of rumours have been prevalent among the artists, the lecturers and the public. One has spoken of cliques, of sects, of a "republic of friends." It has been said that even the permanent staff is divided into factions of the "if you're not with me, you're against me," type. It is said there exists the sort of attitude which wants the friends of our friends to be our friends.

Perhaps this is not all, or not entirely, true. It is always difficult, in this type of thing, to differentiate between interested calumny and outraged justice. But even if all of it were true, that would only affect directly a few dozen individuals at the most. Only individuals would suffer, and not the nation, and one could always say that favouritism is a weakness of all large public or private undertakings.

No, it isn't that which is really serious. It is that the regime of personal expediency and social relations which prevail at the C.B.C. under the direction of Mr. Beaudet is in itself an obstacle to the conception and realization of a psychological campaign capable of inspiring in French Canada a powerful will for democratic victory. Bourgeois futility, the salon mentality and insidiously pro-fascist newspapers (like our *Devoir*) lost France. Are we to endure the same fate?

What is necessary to the C.B.C.—and also in other places—is not the chatter of the salon, but dynamism and imagination. It is the determination, will democratic faith. It is the faith and ardour of apostles. That, in short, is the true spirit of victory.

The spirit of victory! When German submarines sink our ships in the St. Lawrence, is it too soon to ask for it? That editorial comes, of course, from *Le Canada*. I have read a number of editorials and articles in *Le Jour*. *Le Jour* makes many very direct statements and as we do not want to go into them to-day, I think Mr. Harvey should be called here. He says that he would be willing to appear to substantiate the statements that he has made from time to time in his paper. Here we have a paper, Mr. Morin, that makes the definite charge that the situation in the province of Quebec is largely due to the inadequacies of the service of broadcasting, and I think to a degree it is not only true of broadcasting but true of other governmental agencies that we have not sufficiently placed the issues of this war before the people in a manner which would win their support. I think the function of a broadcasting corporation is not to propagandize the population, but I think it is the function of a corporation to see to it that the people are not propagandized, if I can put it that way, subtly perhaps in Montreal. Mr. Harvey makes the charge that has been done in Quebec, and, as I say, he should be called here. I should like some comments on this statement.

The WITNESS: I might say that I read regularly *Le Jour* and *Le Canada*. I read all the articles written by Mr. Harvey, and I read the particular article to which you have referred written by Mr. Turcotte. They did not trouble me because I believe these articles are most unfair and without foundation. I would not go so far as to say that they are due to a personal grudge between certain members of the corporation and these two writers, but I do not believe that they would be supported by very many people in the province of Quebec, because we have tried as much as it was possible to keep the population of the province of Quebec properly informed. We have had broadcasts from all the prominent men who came, French people who came to Montreal, practically all of them except perhaps one or two, and they spoke freely. We had at one time a splendid commentator of news, Mr. Louis Francoeur, the like of which you do not have on the English network. Unfortunately he died in an automobile accident. The knack of making oneself popular on the radio, to be listened to by, I should say, ninety per cent of the regular listeners, is something which is a gift of nature which Francoeur possessed, but which no other one to our knowledge has offered so far. If we could have had someone to replace him we would have taken him at once.

By Mr. Coldwell:

Q. You mentioned a moment ago prominent Frenchmen coming into the province of Quebec and being given an invitation to speak over the radio without let or hindrance, as it were. What about Mr. Jules Romains when he came to Montreal two years ago?—A. He was the exception to which I referred.

Q. Have there been any other of the Free French who have been refused the radio?—A. Not to my knowledge. I know Captain D'Argenlieu came to Montreal as the official representative of General De Gaulle. He was given access to our studios and made one or two addresses. Henry Torrès, a prominent lawyer from Paris, made a broadcast on our network and many others.

Q. What was the story of the Romains incident? Why was he refused? He was told when he appeared in the city, I believe, that he could speak over the radio but that he could not speak on politics, that he must confine his

address purely to some other subject. Who was responsible for that?—A. I suppose Dr. Frigon. When Romain came to Montreal he was taken to task by certain press representatives as a communist, an atheist, and so forth. So the articles which appeared in the press represented him under such a colour that anything that he may have said on the radio would have been misinterpreted.

Q. That is why, Mr. Morin, he was invited to speak on a literary subject?—A. Yes.

Q. If he was so suspect on account of his views might he not interject those views into a literary discussion? I think that is a very easy thing to do, as a matter of fact.—A. I suppose we were willing to take that risk.

Q. So it appeared at least that Mr. Romain was being stopped from expressing certain political views which somebody in the corporation would not approve of. Now you mentioned Mr. Francoeur.—A. Yes.

Q. I never met Mr. Francoeur and never heard him, but I have seen in *Le Jour* criticisms of Mr. Francoeur's broadcasts that did not certainly bear out what you say about him. In fact I have seen it charged that he was definitely in his broadcasts anti-democratic and pro-Vichy. I presume the scripts have been examined by the corporation, in view of the charges that have been made from time to time, because I say I do not know—A. Certainly.

Q. I never heard Mr. Francoeur deliver one of his broadcasts.—A. You can get copies of his broadcasts; they have been published, as a matter of fact.

Q. I have never seen them.—A. May I say that when he died over 40,000 persons went to see his body in the city of Montreal.

Q. I saw that.—A. It was a popular demonstration exceeding practically everything we had ever seen before on previous occasions, which showed his popularity.

Q. I am not casting any reflections on Mr. Francoeur; in fact I did not know him, but I have read the statements to which I referred; and of course the fact that a large number of people passed before the bier would not be evidence that the type of talk he gave would be anything but popular, apart altogether from the type of material and would not be—

The CHAIRMAN: The tributes that were paid to him by the press generally, of Quebec in particular, and all Canada, would bear out the statement of Mr. Morin.

Mr. COLDWELL: Yes. That might be better evidence; but with regard to this article in *Le Canada* probably we had better pursue that when we have the program officer on the stand.

The WITNESS: Yes.

Mr. COLDWELL: I thought it should be drawn to the attention of the committee and the attention of the chairman of the Board.

Mr. HANSELL: This does bring up the matter of what might be regarded as political broadcasts, and I should like to have something to say along that line. I do not know whether Mr. Morin is the appropriate man to answer the questions or not. It appears that there are three special sections to section 22 of the Canadian Broadcasting Act that govern political broadcasts. Section 3 says:—

- (3) Dramatized political broadcasts are prohibited.
- (4) The names of the sponsor or sponsors and the political party, if any, upon whose behalf any political speech or address is broadcast shall be announced immediately preceding and immediately after such broadcast.
- (5) Political broadcasts on any dominion, provincial or municipal election day and on the two days immediately preceding any such election day are prohibited.

That seems to cover pretty well the sections governing political broadcasts.

I understand it is against the regulations to broadcast a political speech from a public platform. Is that so?

The WITNESS: That is a ruling by the censorship committee, not by the C.B.C.

Mr. HANSELL: The censorship committee of what, of the government?

The WITNESS: Of the government.

The CHAIRMAN: Bureau of Information.

By Mr. Hansell:

Q. They have made a rule that no political broadcasts can be given from a public platform. Well, of course, if that ruling is made by them we cannot ask you the question. I was going to ask what factors determined what and what was not a political broadcast. Of course, if that is not within your purview that question cannot be answered. I should like to know whether or not for instance a public meeting in the interests of the plebiscite, it does not matter whether it were for "Yes" or "No", can be determined as a political broadcast.

The CHAIRMAN: Excuse me, Mr. Hansell. Would not the section which governs that be found in the statute?

Mr. HANSELL: I do not find a section that covers it.

The CHAIRMAN: Section 22, which reads as follows—

- (1) The Corporation may make regulations:
 - (a) to control the establishment and operation of chains or networks of stations in Canada;
 - (b) to prescribe the periods to be reserved periodically by any private station for the broadcasting of programs of the Corporation—

And then it goes on in section (3):

- (3) Dramatized political broadcasts are prohibited.
- (4) The names of the sponsor or sponsors and the political party, if any, upon whose behalf any political speech or address is broadcast shall be announced immediately preceding and immediately after such broadcast.
- (5) Political broadcasts on any dominion, provincial or municipal election day and on the two days immediately preceding any such election day are prohibited.

Mr. HANSELL: I have read all these; I cannot find anything in them which governs it.

Mr. COLDWELL: Dramatized broadcasts, Mr. Chairman, are ruled out, but what Mr. Hansell has in mind are political broadcasts in story form.

The WITNESS: Prohibited.

The CHAIRMAN: What I am pointing out is it is part of the statute rather than part of the regulations; it is part of the Act, not part of the regulations. It is drawn attention to in the regulations but it is actually part of the statute.

By Mr. Hansell:

Q. May I get an answer to this question: I should like to know what determines a political broadcast. I can quite understand if a broadcast is given in the name of a political party that the leader of the political party speaks. Obviously that is a political broadcast; but here is an individual who comes out and he talks on some political subject. What is to determine whether or not that is a political broadcast?

Mr. GRAYDON: Mr. Chairman, I think the statement of policy laid down on July 8, 1939, which was published and then finally amended in March, 1941, deals with that almost entirely and calls it controversial broadcasting outside of an election time, and in an election period it is called political broadcasting because it represents the views of certain political parties. I do not know whether that answers Mr. Hansell's question or not. I have it here in sessional paper No. 84-A.

The CHAIRMAN: In which it defines "political".

Mr. HANSELL: I am not going to take time to read all this over now. There is another question in that connection which has been drawn to my attention and I have been told it has happened with one of the ministers of the government; that he may be giving a public address, it may be at a banquet—it does not matter, no difference where it was—it may happen at a banquet, maybe in a hotel or something of that kind. The time comes when he has to give a half-hour speech; because it may be regarded as a political speech he says, "Excuse me, gentlemen, I have to go into this room here for a while." And he goes next door in that room where there is a microphone. He speaks for half an hour, gives his address. There is a radio in the room next door and so they listen to his broadcast. Half an hour afterwards he comes out of the room and goes on with his meeting. That has happened because there is a rule that you cannot broadcast a political broadcast from a public platform. It seems to me that arrangement is foolish.

The WITNESS: The C.B.C. has nothing to do with that; it merely follows the rules laid down by the censorship committee.

By Mr. Coldwell:

Q. There is a matter in connection with political broadcasting that I should like to ask the chairman about. Mr. Graydon referred to the policy adopted in July, 1939, I think it was, which I believe had been preceded by several meetings of the persons representing political parties, and the policy on this matter was adopted in July of that year. It was contained in a pamphlet issued on July 8, 1939, issued, I may say, by the C.B.C. Copies of this pamphlet were given to the various political parties. In January, 1940, just before the election, another meeting was held and the general manager at that meeting presented a proposal on behalf of the Board of Governors of the C.B.C. That proposal consisted of the proposition that a total of three and a half hours of free time over the national network should be given to all parties combined, and that in addition the parties would be allowed to purchase time over the national network. Now, as the chairman will remember, the agreement that was reached and which was accepted, and which incidentally we understand to be the policy of the corporation, was that free time over the national network should be provided for the political parties but that no time should be purchased for political broadcasting over the national network. What I am wondering is this: on what authority was this proposal to grant three and a half hours of free time presented to the committee representing all the political parties and on what authority did the general manager suggest that additional time for political broadcasting might be purchased over the national network? Again, of course, we come to the minutes.—A. I do not think there is anything in the minutes about that; I think it was on the authority of the chief executive.

Q. Well, I have a note of this minute of the meeting of the Dominion Election Committee. Subsequently, on January 31, 1940, there was another meeting.

In attendance:

Representing the Parties:

Liberals—Mr. W. Herbert, Major Jos. Clark.

Conservatives—Dr. J. M. Robb.

C. C. F.—Mr. David Lewis.

Social Credit—Mr. R. A. Pelletier, M.P.

Representing the Canadian Association of Broadcasters:

Mr. Harry Sedgwick.

Mr. Joseph Sedgwick.

Representing the Canadian Broadcasting Corporation:

Major Gladstone Murray, general manager, with heads and members of departments concerned.

The general manager began the discussion by outlining in general terms the situation with respect to the dominion election in so far as it affects broadcasting, indicating some of the policies and principles involved, and the difficulties to be overcome.

The decision of the Board of Governors to restrict the amount of free time to statements by the leaders of the parties on the national network was indicated by the general manager, also that it was proposed to allow time on the national network to be purchased. The free time to be granted was three and one-half hours to be allotted as follows:

Liberal Leader—Three half-hour periods (one to be for rebuttal)

Conservative Leader—Two half-hour periods

C. C. F. Leader—One half-hour period

Social Credit Leader—One half-hour period.

It was pointed out that this distribution maintained the ratio set out in the white pamphlet, having regard to the limited time and general practice in radio on the North American continent of dividing time for broadcasting at quarter and half-hour intervals.

After considerable discussion, it was clear that there was emphatic unanimity amongst the parties in the view that there should be no sponsored political broadcasts on the national network.

The general manager noted the objections, and in order to save the negotiations from rupture, undertook to seek another direction from the Board of Governors. He asked, however, that pending this reference there might be an indication of the feeling of the parties with regard to the amount and the proportion of time to be provided free on the national network.

It emerged from the discussion that the ratio 42-39-12-9 computed from the formulae set out in the white pamphlet would be acceptable, and that the amount of time to be provided be left to the C.B.C., it being understood that maximum free time be provided without mutilation of normal program arrangements.

It was the understanding that if the general manager secured the board's consent to the elimination of paid political broadcasting on the national network, the parties would agree to accepting the maximum free time that could be provided, distributed according to the agreed formula.

The meeting adjourned at 1.30 p.m. to reconvene on February 1, 1940, at 10.00 a.m.

Mr. ISNOR: What is that you have there? That is not the official minutes?

Mr. COLDWELL: No, it was given to me by our national secretary who represented the C.C.F. I have always found our national secretary to be very accurate in any report that he gives of any meeting which he attends. Mr. Lewis, who happens to be present tells me I am under a misunderstanding, that these are the official minutes that I have read and not the minutes of our national secretary at all.

The CHAIRMAN: Official minutes of the conference?

Mr. COLDWELL: Of the conference. Here we see quite clearly the board's minutes. This says:—

The general manager began the discussion by outlining in general terms the situation with respect to the dominion election in so far as it affects broadcasting, indicating some of the policies and principles involved, and the difficulties to be overcome.

The decision of the Board of Governors to restrict the amount of free time to statements by the leaders of the parties on the national network was indicated by the general manager,—
and so on.

Mr. ISNOR: May I just pursue that a little further?

Mr. COLDWELL: Yes.

Mr. ISNOR: Who are these official minutes signed by? Are they signed by the secretary?

Mr. COLDWELL: No, they are not signed as an official minute by the secretary of the meeting. I do not know who was the secretary.

Mr. ISNOR: There was a secretary appointed by the general committee?

Mr. COLDWELL: Mr. Gladstone Murray says these are his minutes.

Mr. MURRAY: My draft.

I find at the meeting of April 15:—

The general manager referred to and asked confirmation of the telegraphic reference requesting amendment of the resolution passed at the last meeting on the provision of free time for party political broadcasting. It was resolved that in order to confirm the result of the telegraphic reference of the management requesting amendment of the resolution on the provision of free time for party political broadcasting at the board meeting on January 22, 1940, the amended resolution read as follows:—

It is agreed that free time during a federal election shall be granted to political parties according to the provisions laid down in the booklet entitled "Statement of policy with respect to controversial broadcasting."

Q. What is the date of that minute?—A. April 15, 1940.

Q. 1940?—A. 1940.

Q. I am dealing with events, of course, as at January 31, 1940.—A. Yes.

By the Chairman:

Q. That is confirming the action of the meeting in January.—A. Yes.

Mr. COLDWELL: That is not the point I am making.

Q. Was this matter dealt with by the Board of Governors prior to January 31?—A. At our meeting of the 22nd of January, we had this resolution:—

It was resolved that in view of wartime conditions which were not taken into consideration when the board's policy with respect to the provision of free time for party political broadcasting was drawn up, it is felt that it is not expedient to put such a policy into practice at the present time or during such time as a state of war exists.

Q. In other words, on the 22nd of January the board decided to discard the agreement that had been made?—A. Yes.

Q. And the recommendation of the parliamentary committee?—A. Yes.

Q. They agreed to that. Then Major Murray was right.—A. I beg your pardon. The resolution continues:—

However, in order to embark partially at least upon this policy, it is felt desirable and it is agreed that free time during a federal election shall be granted to the leaders of political parties which meet with the conditions laid down in the booklet entitled, "Statement of policy with respect to controversial broadcasting."

Q. What about the sale of time?—A. No sale of time.

Q. We find here: "The decision of the Board of Governors to restrict the amount of free time to statements by the leaders of the parties on the national network was indicated by the general manager; also that it was proposed to allow time on the national network to be purchased." Where is the authority for that?—A. The free time was given to the leaders of the parties.

Q. To which?—A. The leaders of the parties.

Q. But where is the provision that time on the national network might be purchased by the political parties?—A. Our statement of policy with respect to controversial broadcasting states that no time will be sold.

Q. Yes, no time will be sold.—A. But that policy was temporarily put aside by the resolution which I have just read. Therefore, it meant that the regulation waived did not apply any more, so that it was possible to consider selling time.

Q. What is the policy of the board now?—A. It is to follow the statement of policy with respect to controversial broadcasting as adopted in July, 1939, with this exception, that section C relating to party political broadcasting in the period between election campaigns is not in operation for the duration of the war.

Q. The point is that nowhere in the board's decision is any authority given for the sale of time on the national network to the political parties and that never has been given. That is not the policy now?—A. No.

Q. To sell time?—A. No.

Q. No. So there never was authority for that. What were the war conditions that led the board to rescind the former arrangement? Was it the desire to provide more income for the private stations?—A. Oh, no.

Q. That had nothing to do with it?—A. Nothing to do with it, no; certainly not.

Q. I am glad to hear the chairman say that. I think the private stations are doing very well, but we can discuss that later.

Mr. HANSON: Will copies of that white book be available for the members?

The CHAIRMAN: Yes. The "statement of policy with respect to controversial broadcasting" is available. We will see that you get a copy of that.—A. In our statement of policy we said that "... all network party political broadcasting, other than hereinafter provided, will be on a sustaining basis." That means they are not for sale. That was the policy under that statement. Then in the January meeting you have a resolution suspending the application of this resolution for the duration of the war, and from that time on—

By Mr. Coldwell:

Q. Would you mind reading the resolution which suspended that policy?—

A. It was resolved:—

"That in view of wartime conditions which were not taken into consideration when the board's policy with respect to the provision of free time for party political broadcasting was drawn up, it is felt that it is not expedient to put such a policy into practice at the present time or during such time as a state of war exists."

Q. That only deals with free time; it still does not allow the purchase of time?—A. Oh, no; but by the fact that the regulations providing for the sale of time are suspended.

Q. It does not result after that regulation?—A. No, it does not, but by inference.

Q. I think it is a rather wide interpretation.—A. Could you not bring in the general manager and ask him the questions and I will come back at a later date?

Q. I think the chairman of the board is the official from whom we have to get information of the board itself. The general manager would deal with questions arising out of the examination within his own field?—A. The field of the general manager is pretty broad.

Q. It has been very much narrowed lately.

Mr. HANSELL: I can understand how the chairman of the board would not, perhaps, be master of all the details and the many ramifications of the corporation, whereas the general manager—that is his business.

The CHAIRMAN: We should take into consideration that the chairman of the Board of Governors is only a temporary official whereas the general manager is a permanent full-time official, and Mr. Morin's time in his private business is worth considerable to him, and we should expedite as much as possible the examination.

Mr. COLDWELL: There are a number of points that will take probably considerable time and I believe the chairman is the proper person to answer questions.

The CHAIRMAN: We will have to try to make a little speed. We have sat two and a half hours this morning, although I am not going to make any comment on what we have accomplished; but we will have to admit that if we want to cover the ground which we propose to cover we will have to accomplish as much at each individual session as is possible.

Mr. GRAYDON: Mr. Chairman, apropos of your remarks, we have been trying to get a meeting of this committee for three years. There is three years' accumulation here in this committee, and if there is any drawing out of sessions do not blame the members of the committee.

The CHAIRMAN: I am not blaming anybody.

Mr. GRAYDON: Blame the government, because we should have had two committee meetings which would dispose of those two years instead of three. Here is the chairman of the Board of Governors in whose field the policy of the whole corporation rests, and surely we should not be asked, because we have had a couple of hours cross-examination of him, to hurry up. I think he is pretty lucky that he does not have a couple of weeks being cross-examined in a matter like this, and he might consider himself very fortunate, rather than trying to cramp our time.

The CHAIRMAN: I am not trying to cramp anybody's time. I want the committee to bear in mind that we ought to cover as much ground as possible and do as much as we can in these meetings which are limited both in time and number, and if we are going to accomplish anything we must work expeditiously.

Mr. GRAYDON: Mr. Chairman, this session started on the 21st of January and there does not seem to be much reason why we should try to rush things at the last. This committee should have been set up in February instead of May.

The CHAIRMAN: There is no suggestion of rushing.

The committee adjourned to meet at 10.30 a.m. on Wednesday, May 20.

APPENDIX "A"

CANADIAN BROADCASTING CORPORATION BOARD OF GOVERNORS (Present Members of the Board Underlined)

Name	Date of Appointment	Date of Re-appointment	Date of Expiry	Remarks
L. W. Brockington	November 2, 1936	.....	November 1, 1939	Chairman from November, 1936, to November, 1939. Did not resume office expiration of term.
<u>Rene Morin</u>	November 2, 1936	..... November 2, 1939	November 1, 1939 November 1, 1942	Vice-Chairman from November 2, 1936, to January 22, 1940. Approved Chairman on January, 1940, to November 1, 1942.
<u>Mrs. Nellie McClung</u>	November 2, 1936	..... November 2, 1939	November 1, 1939 November 1, 1942	
<u>J. Wilfrid Godfrey</u>	November 2, 1936	..... November 2, 1938 November 2, 1941	November 1, 1938 November 1, 1941 November 1, 1944	
<u>Monsignor A. Vachon</u>	November 2, 1936	..... November 2, 1938	November 1, 1938 November 1, 1941	Resigned in May, 1939.
<u>Col. Wilfrid Bovey</u>	November 2, 1936	.....	November 1, 1938	Resigned in May, 1937.
<u>N. L. Nathanson</u>	November 2, 1936	..... November 2, 1937 November 2, 1940	November 1, 1937 November 1, 1940 November 1, 1943	Appointed Vice-Chairman in May, 1940.
<u>Alan B. Plaunt</u>	November 2, 1936	..... November 2, 1937	November 1, 1937 November 1, 1940	Resigned in August, 1940.
<u>Gen. V. W. Odlum</u>	November 2, 1936	..... November 2, 1937 November 2, 1940	November 1, 1937 November 1, 1940 November 1, 1943	Vice-Chairman from January, 1940, to May 1, 1940. Resigned March 17, 1940.
<u>Rev. Canon Fuller</u>	May 30, 1937	..... November 2, 1938 November 2, 1941	November 1, 1938 November 1, 1941 November 1, 1944	Appointed to replace Colonel Bovey.
<u>Dean Adrien Pouliot</u>	June 29, 1939	..... November 2, 1941	November 1, 1941 November 1, 1944	Appointed to replace Monsignor Vachon.
<u>Rev. J. S. Thomson</u>	February 9, 1940	.....	November 1, 1942	Appointed to replace L. W. Brockington.
<u>R. Rowe Holland</u>	March 17, 1942	.....	November 1, 1943	Appointed to replace Gen. V. W. Odlum.
<u>E. H. Charleson</u>	May 1, 1942	.....	November 1, 1943	Appointed to replace Alan B. Plaunt.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

Room 429,

May 20, 1942.

The Select Committee on Radio Broadcasting met this day at 10.30 o'clock a.m. The chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order. We have a quorum, ladies and gentlemen, and we shall proceed with our business. Mr. Morin, the chairman of the Board of Governors, is here. Do you wish to continue with the questioning?

Mr. CLAXTON: Mr. Chairman, I have some questions I should like to get Mr. Morin's assistance on.

Mr. RENÉ MORIN, recalled.

By Mr. Claxton:

Q. In the first place, there is the question of foreign broadcasts to Canada, propaganda broadcasts by Germany, Italy and Vichy particularly, and I wondered what steps, if any, had been taken by the Board of Governors to direct the officers of the corporation to meet this propaganda. I think it is within the knowledge of everyone of us that this poison is pouring forth from the enemy stations and from the Vichy station. We heard from the minister in a statement that these enemy broadcasts were being listened to by officers of the corporation in a monitoring service. I wondered if the Board of Governors had these activities brought forward and if they had issued any instructions to the management with regard to broadcasts in Canada to counteract this influence.—A. I am not aware the matter was ever discussed before the Board of Governors; but I know that we have made broadcasts and given out information through a large number of speakers. We have broadcast whatever the Information Bureau asked us to do. Broadcasts were organized also on an American shortwave station directed to France; but there has been, to my knowledge, no direct answer to the shortwave broadcasts coming from enemy countries.

Q. Do you know if any step has been taken by the corporation or the department to find out how effective these broadcasts are in Canada, particularly the province of Quebec? Have there been any surveys made or polls taken or anything of that character?—A. I have had no report on that.

Mr. CLAXTON: I think, Mr. Chairman, perhaps the committee would be interested on this subject to hear just an extract or two from some of the broadcasts that have been poured forth. I have one for the 3rd of May, 1942, which was broadcast from Berlin in French, directed to Canada, at 8.04 p.m. It begins:—

You will now listen to a talk on the new political aspirations of Europe. Dear Canadian listeners, it is once again in France, the country of your ancestors, that great political events have taken place, whose far-reaching effects can hardly be sufficiently stressed.

And then it goes on and speaks about the reorganization of the French government, the appointment of Pierre Laval and speaks in the highest possible terms of his work. Then I go on quoting:—

We also stress the fact that Mr. Laval has always been against war. It was he who smoothed out the existing misunderstandings between France and Italy in 1935. It was he who had the courage to oppose desperate resistance to England's war policy.

The broadcast becomes quite poetic at one point:—

In truth, Germany, like Canada, is a Nordic country, which knows long winters. Thus it is a deliverance to think now that the cold and snow are banished and the orchards will flower, the wheat will grow and the forests be covered with leaves.

Then the last two paragraphs read:—

The strong boxes of the millionaires of New York and of all the other states in the union are condemned idols. The workman will one day be the master of his work, which he will fashion with loving care.

That at least is the meaning which we now give to the 1st of May in Europe. As for you Canadians, you will hardly have difficulty in understanding these thoughts, for you are hardened peasants, labourious artisans. You like to gather together after work and reminisce of France. Your day will also come, when your perserverance will triumph over all the dictatorships that people want to impose upon you and then, we promise you, you shall enjoy the fruits of your labour in peace.

Mr. HANSELL: Where did you say that came from?

Mr. CLAXTON: That came from Berlin in French directed to Canada on the 3rd of May, 1942. This stuff comes out regularly, three times a day from various stations. The *Winnipeg Free Press* on May 14, 1942, quotes several broadcasts from Radio Paris; that is in occupied France:—

The Comte de Gueydon, speaking from Paris on March 21, 1942, deals extensively with the plebiscite.

Six days later, the same speaker on the same station became even more emphatic.

He said (in part):—

The British Empire is breaking up, and falling apart on every side. It is not, however, for lack of using the most daring process of propaganda, because sincerity is not to be spoken of. Remember that to bolster confidence Churchill did not hesitate to state personally before the parliament of Canada, on December 30, 1941; Even as I speak, an important battle is being fought at Djelabia, and I am very hopeful. Twenty-four hours later, General Ritchie had once again lost 120 tanks, and Churchill's hopefulness was changed into assurance of defeat. The British premier was well aware, however, that, notwithstanding the power and the number of troops engaged in North Africa, things were not bright. But the truth would have deprived him of the hope he fondles: to obtain men by the organization of conscription in Canada and, thereafter, send these soldiers to any part of the globe where British interests might be endangered.

The *Winnipeg Free Press*, in an editorial on this subject headed "The Nazi Radio and Canada" says this:—

But surely it lies within the capacity and the duty of the government and its organizations to take positive steps to counteract their possible ill effect upon the morale of the Canadian people.

Mr. HANSELL: That one came from Paris?

Mr. CLAXTON: Yes; the second too.

Mr. HANSELL: Have you any knowledge of any coming from Vichy at all?

Mr. CLAXTON: Oh, yes. They come steadily from Vichy, and the Vichy ones are practically indistinguishable from the Paris ones in their general tone. I just bring this forward, Mr. Chairman, because it seems to me to be part of the work of this committee to discuss the greater work that the corporation can do in the prosecution of the war; and this is one respect in which the corporation and the Board of Governors and the Department of National War Services could co-operate to do more effective work to counteract the influences, whatever they may be, of these poisonous broadcasts.

I assume, Mr. Morin, that you would agree on the desirability of that course?

The WITNESS: Certainly. But there is one thing which should be decided. Is the C.B.C. going to be an instrument of broadcasting propaganda on its own initiative or is that to be the function of the Bureau of Information of the Dominion government? We try to educate the people in a certain way, but never with the idea of doing effective propaganda or counter-propaganda against these broadcasts. If we were called upon to do it or asked to do it, of course no doubt, we would do it. But so far we have not filled that function.

Mr. HANSELL: I think Mr. Morin has a point there, all right. The government should be aware of what is going on, and it is the function of the Ministry of Information to counteract that.

By Mr. Claxton:

Q. You feel that initiating step of this should be taken by the Bureau of Information or the Department of National War Services?—A. Yes.

Q. Perhaps I should also draw the attention of the committee to another broadcast which is quoted in the papers, under an American press date line, dated May 19, Washington. It is as follows:—

The Laval government at Vichy has started a radio short-wave campaign to woo French Americans away from allegiance to the United States government, the Office of Facts and Figures reported today.

The chief political commentator of the Vichy radio, Leon Boussard, suggested in a recent broadcast the development of a French bloc adhering to "Ancient traditions" rather than American policies.

Boussard referred to the French separatist movement in Canada, noting that "several million Canadians, our brothers by blood and tongue, remain proudly faithful to their tradition."

"There certainly exists in French Canada a real movement in favour of autonomy," Boussard said. "And the United States, whose government is little by little substituting its influence to that of the London government in Ottawa, contains nearly three million French Americans."

"If in the old province of Louisiana the French element is diminishing, in New Hampshire, Connecticut and Massachusetts, on the contrary, the population of French origin is solidly established. Thus the population of New England and that of Louisiana, added to that of Canada, form a solid element firmly attached to ancient traditions."

"The 306,000 French colonists of 1763—

Surely they were not so numerous as that, were they, Mr. Morin?—A. No.

Q. 60,000 I should say. Continuing:—

"The 306,000 French colonists of 1763 have become seven million on the North American continent. From these indications we see clearly the role and importance of the descendants of the old French provinces in the new world."

So it is going on even in the States?—A. Yes.

Q. This effort to divide us by this propaganda.—A. Yes. When the broadcast refers to the meetings of French Canadians to recollect reminiscences of old France, it goes pretty far; because I do not believe there are any French Canadians who have been here, for six, seven or eight generations who have any reminiscences of what their fathers did in France.

Q. Most of them have been here ten generations.—A. Some of them.

Q. Then you feel that the initiative of this should be taken by the department. But I think you would agree that stating facts and even views and opinions about the war, our place in it and our interest in winning it, is not propaganda in any evil sense. It is the duty of every Canadian who wants to win the war.—A. Yes. And we are ready to do everything we can along that line.

Q. This brings me to another subject which is somewhat on the same line, and that is the question of short-wave broadcasts.

Mr. SLAGHT: I wonder if the honourable member, before he passes from that, would permit me to ask a question of Mr. Morin?

Mr. CLAXTON: Yes.

By Mr. Slaght:

Q. Apropos of your answer, sir, a few minutes ago as to the function of the department and the function of your board, I recall hearing frequently certain programs which are, one would think, very proper war propaganda—programs over which we hear military bands, over which very encouraging information is given out and obviously something to assist the morale of our people in the war effort. Are any of these programs initiated and put together by your board or do they all come to you on an allotment of air, having been edited by others?—A. I think most of them are initiated by the C.B.C.

Q. Then you apparently have a department of propaganda?—A. I do not call it propaganda.

Q. I do not use that in any improper sense.—A. No.

Q. Personally, my view is that it is very proper propaganda and very useful. But if there is a department who are charged with the task of preparing programs which, in that sense, are propaganda, ought there not to be co-operation between that department and the government department of information?—A. The general manager has a full story on that subject; and if you will put your question to him when he appears before you, I think you will get all the information you may require.

Mr. GRAYDON: Are you finished, Mr. Slaght?

Mr. SLAGHT: Yes.

Mr. GRAYDON: I think this matter has come up once or twice before in the meeting of the committee; and with great deference to your suggestion that the general manager is the man to cross-examine on this particular point, I may say that I differ on that, because it is not the field of the general manager to decide upon the question of policy as between the corporation and the government in wartime. The general manager's duties are very strictly defined and they are defined as carrying out the policies laid down by the Board of Governors. That brings up again, in a very emphatic way, I think, the very point that was raised once or twice before in the committee and about which I examined you yesterday, with respect to the point as to whether or not there had been any conference between you, as chairman of the Board of Governors or the Board of Governors in meeting with the government to determine and settle upon a wartime policy as between the government and the broadcasting corporation. In peacetime there is the matter of keeping above public suspicion the question of the radio being a government agency but that has to be modified to some limited degree in wartime, and I think that is something that everybody will agree upon, as

Mr. Slaght has brought out. In wartime it seems to me that the radio corporation must have a settlement of policy as between them and the government with respect to that very point which Mr. Slaght and Mr. Claxton brought out here, particularly with regard to broadcasts of public information, which may be regarded as propaganda—perhaps improperly used as a peacetime term, but still at the same time an informational broadcast.

Q. I understood you to say yesterday that there had been no conference between the Board of Governors or you as chairman with the government to settle that question of policy. Do you not think yourself, in view of what has been brought out here, that is something that is overdue and something that should be attended to at once?—A. It all depends on what you understand by the word "policy". There are two things. Our policy is to contribute to the war effort of the country to the greatest extent possible. That is definite. Now, there is the question of the program to give effect to that policy, which is a matter to be dealt with by conferences between the general manager or the program department and the government, not the Board of Governors. The Board of Governors does not meet to discuss whether such a program may be given or some other program.

By Mr. Coldwell:

Q. If you look at the revised by-laws to which I have drawn attention on one or two occasions you will find the very same thing in section 7. May I just read it again?

7. (1) There shall be an Executive Committee consisting of the Chairman, the Vice-Chairman and two other members of the Board of Governors to be named each year at the first meeting following the close of the fiscal year.

I understand that committee has not been appointed.?—A. Not yet.

(2) The Chairman of the Board shall be the Chairman of the Executive Committee. Three members shall constitute a quorum.

(3) Subject to the control of the Board of Governors, the Executive Committee shall have power:

- (a) to manage the affairs of the Corporation, to control its finances and to supervise its operations, in accordance with the general policies laid down by the Board of Governors;
- (b) to define the functions, duties and responsibilities of the officers and employees of the corporation and to direct them in the performance of their duties.

What I am getting at is this: while I have great sympathy for your desire to get back as quickly as you can to your ordinary vocation, the general manager is no longer the general manager of the corporation. He has been displaced from that position by these by-laws. This by-law clearly states:—

.....the Executive Committee shall have power:—

- (a) to manage the affairs of the Corporation, to control its finances and to supervise its operations.....

The general manager is no longer the manager. The executive committee is now, according to the by-laws adopted and approved, the body to manage the affairs of the corporation and I submit that since the executive committee, of which you yourself as chairman of the board are a member, has such wide powers, they must be questioned on matters of management of the corporation; because the by-laws impose the responsibility of managing the affairs of the corporation

upon that executive committee. I know that for some reason the executive committee has not yet been appointed. I presume, therefore, that the board now has the function of the executive committee, because it failed to appoint the executive committee, and therefore is the body from whom we must seek information regarding the direction of the affairs of the corporation. You see the point.

Mr. SLAGHT: When were these by-laws passed?

Mr. COLDWELL: The by-laws were passed on March 24, and approved by Order in Council P.C. 2485 on April 29, 1941.

The WITNESS: These by-laws cannot deprive the general manager as chief executive of the control of the programs and of the internal management of the corporation.

By Mr. Coldwell:

Q. What was the purpose of these by-laws if it was not to do that?—A. To obtain control, to study them, to supervise them more closely than had been done in the past.

Q. When did the board consider it necessary to supervise the general manager more carefully than in the past?—A. I said before that our business was expanding, our expenditures becoming higher and higher, our staff was increasing, our salaries were revised and increased quite often, and we thought that it was our duty as business men to exercise a closer control on these financial operations. But certainly the committee has nothing to do with the programs. We may lay down a general policy, but we are not going to choose the programs; to define who shall speak on the radio, what will be the nature of the programs and so forth. That is the work of the general manager. He does that.

Q. I do not see that at all, Mr. Morin. I am going to ask you this direct question: Was this the result of lack of confidence in the manager?—A. I might say perhaps lack of confidence in his business ability in financial matters.

By Mr. Homuth:

Q. As a business man you passed these by-laws but never made them effective?—A. Well, the executive committee was not appointed, but there has always been from the start the finance committee which apparently exercised this authority, because there is nothing in the Act providing for the creation of a finance committee as there is for an executive committee; but the finance committee exercised this control.

By Mr. Coldwell:

Q. There is a finance committee now?—A. Yes.

Q. Who are the members?—A. The chairman, the vice-chairman and Mr. Godfrey.

Q. How often does the finance committee meet?—A. Well, it usually meets one day ahead of the general meeting of the board and at certain other times when the occasion arises.

Q. Did we get information as to how many meetings of your board had been held during the past two years?—A. Yes.

Q. The finance committee meets about one day ahead of the meeting of the board?—A. Yes.

Q. But it does not meet more frequently than the board?—A. Sometimes we had special meetings of the finance committee when there was no meeting of the board.

By Mr. Graydon:

Q. Mr. Morin, did not the Board of Governors leave itself open to a charge of procrastination not only on this matter but also on the question of dealing with the Plaunt report and the Clarkson, Gordon, Dilworth report which were not

dealt with at once by the Board of Governors and which was brought out very clearly yesterday and also with respect to the question of the set-up of this executive committee. Here is an order in council passed on April 29, 1941. It must have been regarded as a very serious matter, otherwise the executive committee would not have been suggested. Now we are about thirteen months away from the time the order in council was passed, and still the executive committee has not been constituted and has never functioned. Is there any real good explanation as to why—either the executive committee was needed or it was not needed, and if it was urgent then it should have been put into effect and put into operation at once. If it was not urgent and was not needed then why was the order in council passed? I think it is only fair to the public that they should have some idea as to why that delay occurred.—A. I stated yesterday that the executive committee was not appointed because we thought that the member who would be appointed to replace the late Alan Plaunt in Ottawa should be a member of the committee in view of the fact that he would be in the city where we have our head office and be able to establish a closer contact with the management than those who lived far away. That is one reason. Apart from that we felt that the appointment of the executive committee could be postponed without much damage, since the finance committee was then fulfilling to a large extent the functions of the executive committee, although as such it does not have the authority which the executive committee will have.

Q. The responsibility then apparently is shifted from your shoulders with respect to the executive committee and to the government? Is that the idea? They did not appoint a successor to Mr. Plaunt.—A. It is not for me to blame the government. That is a fact everybody knows.

Q. In any event that is the reason, the failure to appoint another member to succeed Mr. Plaunt held up the appointment of the executive committee?—A. Yes.

By the Chairman:

Q. Excuse me. Is it the duty of the Board of Governors to ask that the appointment be filled?—A. These appointments are under the jurisdiction of the government and the Board of Governors has nothing to do with it.

Q. No, but when there is a vacancy do they ask the government to fill that vacancy or make any recommendation?—A. We made no official demand on them in that respect.

By Mr. Graydon:

Q. What do you mean by "official"; what kind of demand did you make?—A. I mean the Board of Governors passed no resolution asking the government to appoint a successor to Mr. Plaunt. In conversation with the minister I may have said we would like to see Mr. Plaunt replaced. That may have happened.

Q. Did you make it clear to the minister that the delay in the appointment of the successor to Mr. Plaunt was holding up the appointment of the executive committee?—A. No, because I did not feel that the corporation was suffering in any way from the delay in the appointment of the executive committee.

Q. Is there any great urgency then for the appointment of the executive committee now?—A. Well, we believe that the appointment of the executive committee with authority will improve the control which exists, and should be done; but up to now the finance committee has taken upon itself to fulfil to a large extent the functions which the executive committee will be called upon to perform.

Q. Of course, there was a finance committee at the time this order in council was put through.—A. Yes.

Q. Was it functioning satisfactorily at that time?—A. Yes, but without authority, except the authority of the board. It could not make decisions. It merely had to make reports to the board and the board would make the decisions.

Q. So there was a real necessity existing for the setting up of an executive committee?—A. Yes.

Q. That necessity existed in April, 1941?—A. It might not of necessity be an improvement on the actual set-up.

By Mr. Coldwell:

Q. The reason for the appointment of an executive committee was that you had reason to doubt the competence of the manager in certain financial affairs. May I ask you what gave you this doubt and what reasons they were that gave the board that doubt?—A. I do not know that I can quote any particular instance, merely as I stated, the expansion of the business, the increase in expenditures and so forth induced us to exercise ourselves a closer control, because we wanted to ascertain that these expenditures were necessary.

Q. Had there been any resignations of employees that led you to— —A. No.

Q. —come to that conclusion?—A. Not to my knowledge.

Q. You stated yesterday the Auditor General's letter had not been brought to your attention.—A. Not brought to the attention of the board, but the matter to which it referred came to my knowledge, but not through that letter, perhaps in a conversation with the minister, Mr. Howe, or some other way, I do not know, but I knew of it.

Q. Did you bring it to the attention of the board?—A. The finance committee dealt with it and the board also, I think.

Q. The finance committee reported to the board?—A. Yes.

By Mr. Slaght:

Q. Does the finance committee keep minutes?—A. Yes, sir.

By Mr. Isnor:

Q. What peculiar or particular qualifications have the members of this finance committee that would not be possessed by the general manager that are so desirable to take its place and give advice on financial matters?—A. Well, I would not say that it would necessarily apply to the general manager. It is generally acknowledged that a poet or an artist has not the same business qualifications as an accountant or a lawyer or a manager of a large business organization.

Q. What are the qualifications of these particular members of the finance committee?—A. Mr. Godfrey is a lawyer.

Q. A lawyer?—A. Mr. Nathanson is a business man of great reputation.

By Mr. Coldwell:

Q. What is his business?—A. At that time he was chairman or president of Famous Players Corporation; and as to myself, well, I am in charge of about \$90 millions of other people's money which I administer for them.

By Mr. Isnor:

Q. In trust?—A. In trust.

Mr. COLDWELL: It should be a fairly good qualification.

By Mr. Isnor:

Q. Has that finance committee exercised the same control in the same careful manner as would a general manager with the financial qualifications?—A. No; the executive committee is supposed to exercise the very function which executive committees do exercise in financial or industrial corporations. In all these corporations the general manager is there and he may consult the executive committee and receive directions from them; but he continues to manage the business of the corporation.

Q. I am asking these questions because I am coming back to the question asked by Mr. Coldwell in reference to the duties of the general manager. I am not sure as to the date on which the C.B.C. organization and financial pamphlet was issued, but I would judge it was issued after the amendment to the by-laws as approved by P.C. 2485 on April 29, 1941, because the opening paragraph, "Just over five years ago, on November 2nd, 1936—" so I would take it from that that this booklet was issued after November 1941. The duties of the management there, dealing particularly with the general manager, read as follows:—

The direct management of the Corporation is in the hands of the General Manager (who is the Chief Executive of the Corporation under the Act) and the Assistant General Manager. The former has specific responsibility for programs and public relations; and for carrying out the terms of the Act of Parliament.

So really the general manager has supervision over all matters pertaining to general matters and including, I would say, all financial matters, by that definition.—A. It is a fact, I think, except in dealing with financial matters, he follows the instructions laid down by the board or by the finance committee or by the executive committee as it will exist.

Q. That is the point. If the witness's contention is right, Mr. Chairman, these questions could very well be answered by the general manager in regard to all the details of management.

Mr. COLDWELL: The only thing, Mr. Isnor, is the pamphlet has no status or authority; it was written, I suppose, by an official of the corporation.

Mr. ISNOR: Perhaps that is so, but it is still true.

Mr. COLDWELL: What must govern is the statute, and after the statute the by-laws made under that statute; and the by-laws clearly state that no longer is the general manager managing the corporation. They say:—

...the Executive Committee shall have power:

(a) to manage the affairs of the Corporation—

Therefore you cannot get away from that by-law no matter what pamphlet may have been written subsequent to it.

The WITNESS: May I make this statement at this point? By section 12 of the Canadian Broadcasting Act the corporation is empowered to make by-laws to provide for an executive committee of the Board of Governors and to grant this committee such powers as the by-laws may specify. The corporation, therefore, acted in strict compliance with the Act in passing by-law No. 7 providing for the appointment of an executive committee and defining its powers.

The Act provides that there shall be a general manager who shall be the chief executive of the corporation but his duties and powers are not otherwise defined. It is manifestly within the jurisdiction of the Board of Governors to determine his duties and powers, and accordingly it enacted by-laws to that effect.

Under section 12 (a) (4), it is the corporation which is empowered to enact by-laws to provide for the employment, dismissal, control and remuneration of such officers, clerks and employees, technical or otherwise, as may be necessary for the transaction of the business of the corporation. As the business of the corporation expanded, the board came to the conclusion that for the more efficient conduct of the work of the corporation, it was expedient to provide for a distribution of specific functions between the two principal officers of the corporation, the general manager and the assistant general manager and this was done through the enactment of a new by-law which appears to us as strictly in accordance with the spirit and letter of the Act. This delegation of power, in our mind, did not affect the position of the general manager as chief executive of the corporation.

To exercise a closer control on appointments and on salaries, the by-law so enacted by the board provided that all appointments, either made by the general manager or the assistant general manager should be subject to the approval of the executive committee. The salaries and wages of a staff of 657 persons are a considerable item in the budget of the corporation and the board deemed it expedient to exercise special control of this item of expenditure.

The board also provided for the appointment of a controller of finance and this decision was taken to give effect to one of the recommendations contained in the Thompson report.

These amendments to our by-laws were submitted to the Department of Justice and approved by them.

By Mr. Coldwell:

Q. Now, Mr. Morin, these by-laws were drawn by men who were quite able to understand the meaning of words; the Department of Justice also understands the meaning of words, as does the government itself which enacted the order in council to give validity to the by-laws. Why was the word "manage" used, "to manage the affairs of the corporation"? Why not have said "direct the affairs of the corporation, control, supervise"? The first word is "manage." The words are "to manage the affairs of the corporation." Now, had I seen that as an individual, as I saw it, it is the thing that would have struck me first, the phraseology of the by-laws. To my mind that conveys the clear impression that the executive committee was to take over the management of the corporation which by statute, as you have already said, should have been in the hands of the general manager. Why was the word "manage" used and not "direct" or some other synonymous word?—A. The word "manage" was probably used because the Board of Governors has supreme authority, and its powers are very broad; it can do what it likes, but it certainly was not used with the intention of exercising the functions in any way of the general manager.

Q. But you told me a few moments ago that the amendments to the by-laws were made because the board had not, shall I say, confidence in certain abilities of the general manager to manage the affairs of the corporation in certain respects?—A. He continues to manage the affairs of the corporation but under the control and direction of the Board of Governors and under the supervision of the executive committee and finance committee.

Q. If you look at the by-laws later on you will find not only the executive committee has powers that were ordinarily and temporarily in the hands of the general manager, but the assistant general manager— —A. Certainly.

Q. —has very wide powers that are also a part of the functions of the general manager, and particularly if he is the controller of finance. The two things taken together would indicate that the assistant general manager, as a matter of fact, has greater powers than the general manager, and the executive committee has greater powers than either of them. That is the import, I take it, from the by-laws.—A. I think it is normal for the executive committee to have greater powers than the general manager or the assistant general manager. I cannot agree that the assistant general manager has greater powers than the general manager because when the general manager decides on anything the assistant general manager has to abide by it. He can report to the executive committee he can object to it, if it is strongly against, let us say, the decision of the board, if it exceeds, for instance, the appropriation made in the budget, but that is all he can do.

By Mr. Slaght:

Q. Mr. Morin, may I point out, following Mr. Coldwell's questions with regard to the use of the word "manage," subclause (b) of section 2 of by-law 7 reads as follows:—

To define the functions, duties and responsibilities of the officers and employees of the corporation — —

Now, pausing there I take it you would regard the general manager and the assistant general manager as officers of the corporation; so that this executive committee is delegated by the power of the board to define the functions and duties and responsibilities of the general manager and the assistant general manager, and to direct them in the performance of their duties, a sort of god-fatherly suggestion that instead of telling them what their duties are and having them go about their business, not only is the executive committee to define their functions and responsibilities, not to stop there, but to direct them in the performance of those duties. I suggest to you that is a very broad and unusual power and authority. Is there any special significance in it or does it indicate to you that the executive committee ought to be appointed without further delay?—A. It merely means, to my mind, that the executive committee has supreme authority and can give instructions to the general manager and to the assistant general manager if it deems it necessary in the exercise of their functions.

By Mr. Claxton:

Q. You have just said the executive committee has supreme authority. That involves one conflict that I see here, and it is a conflict between the powers of the Board of Governors and the powers of the executive committee. It seems to me there are a good many problems involved here, and this is one of them, and here it almost looks as if you intend the powers of the Board of Governors to be exercised by the executive committee subject only to the general policies laid down by the Board of Governors. Is that the intention, or is it the intention that the executive committee should function when the Board of Governors is not meeting, in between meetings?—A. Between meetings.

Q. That is not said her.—A. It is stated that the decisions of the committee—

Mr. SLAGHT: Are ultimately subject to the control of the board as stated there.

By Mr. Hansell:

Q. Would this be an adequate picture of it, that the Board of Governors determine the policies of the corporation while the executive committee administers those policies?—A. I would not say administer, but exercise a supervision, to convince itself that these policies are being followed.

By Mr. Homuth:

Q. The fact of the matter is they did not because there is no executive committee.—A. At the present time, no.

Q. In your statement a little while ago which you read you said it was deemed expedient to do that.—A. Yes.

Q. And that everything should have the approval of the executive committee. Now, thirteen months have gone by, you have not got it. Are conditions chaotic in the corporation because you have not got it?—A. Well, it has not been chaotic because the finance committee is fulfilling the functions of the executive committee; so far no one has suffered from it.

By Mr. Graydon:

Q. It seems to me, Mr. Morin,—I have great sympathy for you in the position you are in in trying to explain this situation and set-up of the corporation at the moment; because between the amendments to the by-laws and the fact that there has not been a full Board of Governors for over a year, a year and a half, and in addition to that you have divided the functions of the internal

management itself, it is not very much wonder to me that you are having difficulty in explaining just where the division and responsibility comes. It must be crystal clear to everyone on the committee that you are dividing and dividing to the point where there is becoming little or no real central control and supervision over the affairs of this corporation. You have your Board of Governors, as I pointed out yesterday, which is now delegating much of its authority or much of its control, if you like, to an executive committee composed of members of its own body. In addition to that you have two ministers at the top; you have the board of governors, who are responsible for the operation of the act. Then you are dividing the control underneath. I think most people with even some experience in business realize that that kind of set-up cannot possibly be conducive to effective operation of this publicly-owned institution. I can quite sympathize with your position in this thing, but I think the whole policy is wrong. I am quite sure if you had freedom of expression yourself as a business man, you would be very frank to admit that it could be improved at least to what the by-laws now provide for.—A. I tell you I do not understand that reasoning. We decreased our control because we appointed an executive committee to exercise the closest supervision.

Mr. SLAGHT: It has not been appointed.

By Mr. Graydon:

Q. Did you appoint it?—A. It has not been appointed. I have given you the reason why the executive committee was not appointed. But it will be appointed, and when it is appointed it will fulfil its functions. It is a function which is fulfilled in most large corporations. You have a board of directors, you have an executive committee and you have a general manager, just as we have. Before that we had no executive committee. We had merely a board of directors which could not meet often for reasons of which you are well aware; and we decided to appoint an executive committee to meet more often, to exercise authority between meetings of the board, and to exercise closest supervision on the operations of the corporation. Personally, I look upon it as a great improvement in the management of the affairs of the corporation.

By Mr. Coldwell:

Q. Under the corporation set-up you would have an executive committee and a general manager?—A. Yes.

Q. An assistant general manager in a corporation would be subordinate to the general manager, would he not?—A. Certainly.

Q. But here we find that the powers set out in the by-laws clearly define the functions of both officials and do not imply that either one is responsible to the other. To whom are they responsible? You must have one head.—

A. The board delegated certain powers to the assistant general manager which were more in line with his qualifications; and the assistant general manager reports to the board.

Q. But not to the general manager. So the general manager is not in reality the general manager of the corporation?—A. I do not say that he reports to the general manager. But the general manager is aware of what the assistant general manager does. And if he is not satisfied, he can express his views to the assistant general manager. No difficulty has arisen between them in this respect.

Q. No. But the assistant general manager is not really an assistant general manager. He is a joint manager having certain powers defined by the board and the executive committee is the real general manager of the organization at the present time.—A. I do not think so.

Mr. HOMUTH: Not at the present time.

Mr. COLDWELL: According to the by-laws at the present time.

Mr. HANSELL: Well, with this exception; that he exercises the powers of the general manager in his absence.

By Mr. Graydon:

Q. May I ask you this, Mr. Morin: There is a controller of finance provided by the by-laws; and according to number 3 of the amendments to the by-laws, section (a), "The board may appoint a controller of finance who may be the general manager, the assistant general manager, or any officer of the corporation." Is that controller of finance either the manager, the general manager or the assistant general manager?—A. The assistant general manager.

Q. He is the controller of finance?—A. Yes.

Q. If that is the case, that bears out again the contention of the grave division of responsibility here which has been created. It says here in subsection (b), "The controller of finance—who is the assistant general manager, not the general manager—shall report directly to the board of governors or the executive committee on all matters relating to the business of the corporation including revenues and expenditures, salaries and relations with staff and business dealings with the clients of the corporation and on all such matters as the board of governors or the executive committee may request." Is there anything else to report upon except all matters relating to the business of the corporation?—A. All matters which are referred to him or which may come under his special jurisdiction.

Q. It says. "Shall report directly to the board of governors or the executive committee on all matters relating to the business of the corporation, including revenues and expenditures." And it goes on and covers the whole gamut of the operations of the broadcasting corporation.—A. Sure.

Q. How can it be said that the general manager is still the chief executive and is still the man in control or the boss of the Canadian Broadcasting Corporation when the controller of finance is the man—and not through the channel of the general manager. Oh, no, it does not say that. It does not say either that it applies only to matters which are referred to him by the board of governors. There is nothing in the by-law to that effect at all. If that was intended it should have been in the by-law, but it is not. So it surely cannot be contended here that the general manager is the man to whom we must ask questions with respect to matters relating to the business of the corporation. It is clearly the controller of finance, who is the assistant general manager.—A. The controller of finance can only report on the matters which particularly fall under his jurisdiction.

By Mr. Coldwell:

Q. All matters, according to the by-law?—A. All matters falling under his jurisdiction.

By Mr. Graydon:

Q. But the by-law does not say that.—A. That is the intent.

Q. Should we not be guided by the by-law that was drawn by the board of governors first and then approved by order in council?

Mrs. CASSELMAN: "On all such matters."

Mr. ISNOR: Perhaps you would be right if section (e) was not included in the definition. It reads:—

In the event of there being no controller of finance, or in his absence, his powers shall be exercised by the general manager. . . .

Mr. GRAYDON: You might read on,—

" . . . by the general manager or the assistant general manager. . . ."

Mr. ISNOR: Yes.

Mr. GRAYDON: "...or any other officer designated by the board of governors or the executive committee."

Mr. ISNOR: I stopped at general manager, because we have no assistant general manager.

Mr. GRAYDON: Yes. We have an assistant general manager who is the controller of finance, who is not absent and who has been appointed.

Mr. ISNOR: Who has not been appointed.

Mr. GRAYSON: Yes, he has been appointed. A controller of finance has been appointed; and, according to Mr. Morin's evidence, he is the assistant general manager.

By Mr. Claxton:

Q. It seems to me there are three questions here on this whole set-up of the board, the executive committee, the general manager and the assistant general manager. The first is, is the set-up legal and in accordance with the act? The second is, is it in accordance with sound principles of administration? And the third is, does it work? We have heard some views on the question of legality; that is, the chairman quoted the Department of Justice as saying that it was legal. Secondly, we have expressed some views as to the principles of administration. But I wonder if the chairman could say something about how it works, so that we might have some information on that. I refer here to by-law number 8. Dealing with the powers of the general manager, it says here, "He shall have charge of programs, of policies and relations of the corporation with the press and the public." Then we see that "the assistant general manager, subject to the direction of the board of governors, or the executive committee"—not, it should be noted, of the general manager—"shall have charge of the technical and commercial operations of the corporation; he shall be responsible for the internal management of the affairs of the corporation." I wonder whether those two sets of separate powers fit in with the ordinary operations of the corporation. Suppose, for example, the general manager decides that a set of programs should be inaugurated after consultation with the program department. Is it then necessary for him to secure approval of the assistant general manager because it involves the question of technical and commercial operations or internal management?—A. No, sir. The general manager does not need to ask for authorization of the assistant general manager in any of those activities. We have a budget and a certain amount is attributed to the program department, and the amount voted is at the disposal of the general manager for his programs. He does not need to refer either to the controller of finance or to the assistant general manager. But if he wanted to exceed the amount allotted to him, allotted to programs, there is not the least doubt that he should see the finance controller and ask him how that could be arranged. But the general manager has full control of the programs and relations with the press, and of the carrying out of the provisions of the Canadian Broadcasting Act. That seems to be pretty broad control. It covers everything.

By Mr. Coldwell:

Q. But Mr. Morin, if the general manager wishes to make an expenditure, he must consult the controller. If the assistant general manager wishes to make an expenditure, he also consults the controller, who is himself. A.—It does not work that way.

By Mr. Claxton:

Q. I think, Mr. Morin, that you will agree that this set-up with divided authority, is at least unusual in ordinary business management or in public administration, and we should like to know how it does work.

Mr. SLAGHT: Of course, some banks have two general managers; some banks have joint general managers.

Mr. GRAYDON: The Bank of Montreal.

Mr. SLAGHT: Yes, the Bank of Montreal, and I had one other bank in mind. I just mentioned that apropos of the answer which was made.

The WITNESS: You will understand that the production of programs is an activity which is altogether different from the technical operation of a transmitter station or of the control of the studios. It requires technical knowledge.

By Mr. Slaght:

Q. Which man, in your view, has that authority vested in him, as between these two? I find it very confusing when you read both their powers.—A. Technical operations are under the control of the assistant general manager, who is an engineer by profession and an expert in electricity matters.

By Mr. Graydon:

Q. The assistant general manager is a technical man, in other words, on engineering?—A. On engineering.

Q. Is he an accountant as well?—A. No.

Q. He has no technical qualifications on the matter of finance, particularly?—A. No. He may not be an accountant, but I think he is a man who has sound business sense and experience in administration.

Q. I see.—A. And that his services are most useful in that respect.

By Mr. Veniot:

Q. For what reason was the controller appointed; or why was the function of controller assigned to the assistant general manager? Was it for the reason of economy?—A. Yes.

Q. Because, according to the set-up, there is supposed to be a manager, an assistant manager and a controller. In this particular situation we have a controller filling the function of assistant general manager, which leads to a certain amount of confusion. This was for the purpose of economy?—A. Because if we appointed a controller it would certainly have meant another salary of \$5,000 or \$6,000 or perhaps a little more than that; and we felt that for the moment at least the assistant general manager could fulfil the functions without extra cost.

Mr. COLDWELL: Does it not seem to show that, after all, the resignation of Mr. Plaunt on the ground that the internal affairs of the corporation were becoming chaotic, is pretty well borne out by the evidence we have here;—with this further comment, that they have become more chaotic since his resignation;—and, therefore, Mr. Plaunt's resignation was certainly justified, in order to bring the matter to a head, as far as possible? That is the way it seems to me.

By Mr. Claxton:

Q. When was the actual division of functions carried out? When did the assistant general manager stop reporting to the general manager and exercise the functions that are set out in the by-laws? Was it before the adoption of the by-laws?—A. No, after the adoption of the by-laws. But up to that time the general manager had himself delegated certain particular functions to the assistant general manager, and those functions so delegated to him by the general manager were being fulfilled by the assistant general manager.

By Mr. Slaght:

Q. Would you comment on this suggestion, Mr. Morin, that very broad powers are given to the assistant general manager under clause 2, (a) and (b).—A. Yes.

Q. Powers which are very, very broad. If a controller of finance was a desirable officer in an executive set-up at all, do you think it is safe to appoint the man who has these broad powers, if he goes ahead, for instance, with the charge of the technical and commercial operations of the corporation; responsible for the internal management of the affairs; and then authority to appoint the technical, commercial and business staff of the corporation, and so on? Do you not think that, expense or no expense, if a controller of finance is a desirable officer, he ought to be absolutely divorced from and quite independent of the men whose affairs he is supposed to supervise? As a safeguard, it would appear to me that that should be so. I just would like an expression of your view as to whether it is not a very dangerous thing to give a man tremendously broad powers and then appoint him as controller of finance to supervise his right hand with his left hand. I never heard of such a thing before. I am not unfriendly. Please understand that, Mr. Morin. I appreciate that you are doing your level best to give the country a good job. Let me say that, so that you will not sense any unfriendliness in my question.—A. It may very well be that Mr. Thompson, when making his recommendations, had in mind that the appointment of financial controller would be chosen from outside the staff of the corporation.

Q. I would have thought so.—A. But for the present, when our regulations came into force, we did not want to add to our staff and to undertake to pay another large salary when we thought that our actual set-up was satisfactory to do the work properly. Now, if experience shows that the control which we expected from the financial controller could not be properly exercised by the assistant general manager, then we would come to the conclusion that an outside man should be brought in.

Q. This committee has to make recommendations, and I think that we might invite your view on that. I gather you think that although it would cost more, it is something that perhaps should be done.

Mr. CLAXTON: Mr. Thompson's recommendation, number 6 in the summary, is that the treasurer should be designated as financial controller with enlarged duties and responsibilities. They have a treasurer already. I do not know whether he had in mind the appointment of that officer as controller or a new one.

Mr. SLAGHT: It occurs to me—and it is only my personal view—that a treasurer is divorced from matters of policy, from dealing with the public and from making appointments and fixing salaries; he would, it seems to me, be in a much more isolated position and better able to check unwarranted expenditures than the assistant general manager who initiates them, carries them out, and then, I suppose, walks into another room and checks them over as controller of finance. It seems to me to be an anomalous situation.

Mr. HOMUTH: He passes judgment on his own judgment.

Mr. SLAGHT: Yes.

The WITNESS: But when the salaries and the appointments on the staff have to be approved by the executive committee or by the finance committee or by the board, the function of the controller of finance is merely to see that the decisions of the board are being strictly followed.

By Mr. Slaght:

Q. Yes. I see that clause (b) provides that these appointments and salary rates shall be subject to approval of the executive committee.—A. We make our budget each year. We allot so much money for technical operations, so much money for the commercial department, and so forth. The job of the controller of finance is to see that these appropriations are being strictly followed and are not being exceeded.

Q. May I point this out. As you have no executive committee, there is no control presently over the assistant general manager's appointments and the salary rates of his appointees. In clause (b) of section 2 you vest that supervision and the granting of approval in the executive committee, and there is not any executive committee?—A. No.

Q. So he is running wild, so to speak, with nobody to supervise him. If you follow the reading of 2 (b) you find: "The assistant general manager shall have authority to appoint the technical, commercial and business staff of the corporation, but such appointments and the salary rates of such appointees shall be subject to the approval of the executive committee." Now, there is not any executive committee?—A. No.

Q. So that is a blank. In anything I say I do not want to be taken, gentlemen, as being critical of the assistant general manager or of the general manager. But it is our duty to get the set-up here and see if it is one that is safe.—A. Pending the appointment of the executive committee, that function has been exercised by the finance committee; and the reports of the finance committee have been submitted to the board and approved by the board.

Q. He could tell the finance committee to go to a certain place, that they have no power over him. The only power under the by-laws is the power of the executive committee. If the finance committee differed with him, they would be at a terrific disadvantage. He could say, "Who are you? You are not named. You are self-appointed gentlemen with no authority at all under the act, the by-laws or the regulations."—A. Yes. But we have the authority of the board behind us.

By Mr. Coldwell:

Q. When you were doing all this, Mr. Morin, did you refer to the recommendation of the 1936 parliamentary committee? The report of the committee at page 784, recommendation number 1, reads:—

It has been amply demonstrated that a commission of three cannot be moulded into a unit that can formulate and execute policies successfully. Evidence adduced before this committee has made it apparent that under the existing organization there has been lack of coordination in dealing with major questions.

Then it goes on to say in 1 (a):

After carefully reviewing the administration of radio broadcasting we have reached the conclusion that recommendation number 1 of the 1934 committee, viz:—

That in the opinion of your committee radio broadcasting could best be conducted by a general manager, is justified in all respects, and your committee hereby endorses and repeats this recommendation.

Here we find that instead of a commission of three, we have divided authority between an executive committee, a general manager and an assistant general manager, and that the executive committee has not been appointed. It makes confusion, I think, worse confounded and entirely ignores the view of parliamentary committees that sat in 1934 and 1936.

Mr. HOMUTH: It is absolutely contrary to their recommendations.

Mr. COLDWELL: Yes, absolutely contrary.

By Mr. Graydon:

Q. Did any subsequent parliamentary committee recommend otherwise, Mr. Morin?—A. No. Not to my knowledge. This committee sat on the former Radio Commission, not on this C.B.C.

Q. Yes, I understand. It sat upon the former Radio Commission.—A. Yes.

Q. But it was upon the basis of this report that the new Canadian Broadcasting Act was finally brought before the house and passed, and these recommendations have not been changed at any parliamentary committee since?—A. No.

Q. What Mr. Coldwell says, I think is quite a proper comment to make; that is, that what has happened now is in direct contravention of the 1936 parliamentary committee's recommendations.

Mr. COLDWELL: And of the act itself.

Mr. CLAXTON: The 1938 committee, of course, does not deal with this because it was not before it. But it does say:—

Your committee believes that the constitution of the corporation, insuring a proper division between policy and management and a degree of flexibility and independence essential to the medium of broadcasting, together with ultimate parliamentary control, is well suited to the purpose for which it was created.

So that the committee approves the existing set-up in so far as it passes on it at all.

Mr. COLDWELL: The set-up at that time. But that set-up has been fundamentally changed.

Mr. CLAXTON: It was changed in 1941.

Mr. COLDWELL: Of course, the result of the recommendation was that section 6 of the act was enacted—"There shall be a general manager who shall be the chief executive of the corporation."

Mr. SLAGHT: Was there a parliamentary committee last year?

The CHAIRMAN: No. The last was in 1939.

Hon. Mr. THORSON: Would you mind reading that again, Mr. Claxton? That was the report of the 1938 committee, was it?

Mr. CLAXTON: Yes. I will pass it over to you.

By Mr. Claxton:

Q. Mr Morin, you referred to the Department of Justice having passed on the legality of these by-laws. May I ask if they did that without qualification of any kind?—A. Well, the only report I had was that they had been submitted and approved.

Q. Because I should think that serious doubt could be thrown on the legality of this set-up, which does seem to go against the powers of the general manager as expressed in the act. I do not suppose it could be argued that the by-laws could go beyond the scope laid down in the act?—A. Certainly not. But when the act gives the corporation the power to—

Q. To pass by-laws?—A. "To pass by-laws, as in section 12, for the employment, dismissal, control and remuneration of such officers, clerks and employees, technical or otherwise, as may be necessary for the transaction of the business of the corporation", it does not mean that these powers reside in the person of the general manager. They are attributed to the officials to whom these powers are conferred or assigned by decision of the board.

Q. I think my objection goes to this, that in section 6 of the act it says, "There shall be a general manager who shall be the chief executive of the corporation."—A. Yes.

Q. I should think it could be argued with some justice that the set-up in by-laws 7 and 8 does not provide for a general manager who shall be the chief executive of the corporation. They provide for first an executive committee, and secondly an assistant general manager who does not report to the general manager.—A. I do not see that the by-laws would provide for something that is

contrary to the express terms of the act. The act states that the general manager is the chief executive. We do not need to add it in the by-laws. It is a fact. The by-laws cannot change anything.

Mr. COLDWELL: A fact which the board, I think in apportioning the various powers, entirely neglected.

Hon. Mr. THORSON: I suppose the question is a matter of definition as to what is meant by "chief executive officer".

Mr. CLAXTON: If we are finished with this branch of the inquiry, Mr. Chairman, I have one or two questions I should like to ask Mr. Morin on the subject of shortwave.

Mr. HANSELL: I have some questions on this very point. It does seem to me, Mr. Chairman, that a good deal of difficulty has arisen as a result of there not being a parliamentary committee on broadcasting. I see here on May 14 when the minister, Mr. Thorson, was speaking he likened the Canadian Broadcasting Corporation to the Canadian National Railways as a publicly-owned corporation. He referred once or twice in respect to the minutes of the Broadcasting Corporation that the minutes of the Canadian National Railways had never been scrutinized by the committee. He used that as an argument why the minutes of the Broadcasting Corporation should not be scrutinized. There is a Standing Committee on Railways which deals annually with the Canadian National Railways report.

Hon. Mr. THORSON: A select committee.

Mr. HANSELL: It is a select standing committee.

Hon. Mr. THORSON: It is not one of the standing committees.

Mr. HANSELL: I will not argue about the technicalities or anything like that, but the fact is it is appointed every year. I believe we should do that, Mr. Chairman, and if necessary I will serve notice of motion that we recommend to parliament that a committee be set up annually for the purpose of discussing the annual report of the Canadian Broadcasting Corporation.

Mr. COLDWELL: I think the motion is a good one, but I think it should not be dealt with now. I think probably most of us have that idea in our minds. I have been pressing for the appointment of this committee for two years. I believe every publicly-owned corporation should be responsible to some body that could review its activities. In the United States congress, through its appropriate committees, goes into every phase of the activities of corporations along this line. Of course, they do not control broadcasting. Everywhere else that I know of there is machinery of review, and I think some machinery should be established here. Mr. Hansell's motion is a sound one I think, but I do not know whether he is going to put it now or not.

Mr. HANSELL: I just serve the notice of motion because I do not suppose we are going to make any recommendations for a while yet.

The CHAIRMAN: No. There will be plenty of time to make a motion such as Mr. Hansell suggests before we finish our sittings. When we come to deal with our report this particular matter will be taken care of.

By Mr. Coldwell:

Q. Before we leave this particular case may I ask this question? What other committees are there of the corporation other than the finance committee?—A. A technical committee which studies the applications for new licences, increases in power, and assignment of licences, and so forth.

Q. What is the personnel of that committee, can you tell me?—A. The late Alan Plaunt was the head of it when he was a member of the board. Canon Fuller has replaced him. Dr. Thomson and Dr. Pouliot are members of that committee and they are assisted by the assistant general manager and Mr. Donald Manson, who are not members of the committee.

Q. Is there a committee which deals with the supervision of programs?
—A. No.

Q. Of the national broadcasting system?—A. No.

Q. Who is the secretary of the Board?—A. Mr. Donald Manson.

Q. That is a full-time job, is it?—A. He is the secretary of the board but at the same time he is executive assistant to the general manager.

Q. Executive assistant to the general manager as well as secretary?—
A. Secretary of the board.

Q. That also seems an interesting arrangement. It seems to me that the secretary of the board should be the board's secretary and not subordinate to the general manager or the assistant general manager or the controller or any other official of the corporation, if I may comment upon it.—A. When a man has to draw up the minutes of meetings which take place five or six times in the year, do you think it would be sound administration to have a special man do that work and for him to do nothing for the balance of his time?

Q. No, I do not; but I can think of certain, shall I say, invidious positions which might arise in the dual capacity, and I think everyone who knows anything about the keeping of minutes and so on would understand exactly what I mean. I do not say anything of that sort has occurred; I do not think it is right—if his job is the meetings of the board and keeping minutes five or six times or less in a year—that he should be an executive assistant to the general manager. It seems to me if the job does not take any more time the board might appoint someone who is not the executive assistant to the general manager on a small honorarium to do that particular job.

By Mr. Graydon:

Q. Were you going to answer that question?—A. I merely want to say we have not had much trouble in that respect. The board has always been entirely satisfied with the work done by our secretary.

By Mr. Hansell:

Q. The minutes are approved, I suppose, at every subsequent meeting?—
A. Yes.

By Mr. Graydon:

Q. Does Mr. Manson sit in with the Board of Governors at each meeting?—
A. Yes, sir.

Q. Who would be responsible for hiring Mr. Manson in the first place, the Board of Governors of the general manager?—A. Well, Mr. Manson came in at the beginning. He was the one who attended the first preliminary meeting of the Board of Governors, even before their appointment or right after their appointment, but before they began to act.

Q. At your preliminary meeting?—A. Yes; he has been with us since that time. I think he was appointed at that time by the board on the recommendation of the general manager.

By Mr. Claxton:

Q. Before that he was connected with radio in the Department of Transport?—A. Yes.

Q. And has a long experience with radio?—A. Yes.

MR. GRAYDON: I do not think anybody wants to cast any aspersions on Mr. Manson. I should like to refer to one other thing in connection with the personnel of the Board of Governors. The present personnel, as I understand it, consists of yourself as chairman, Mr. Nathanson as vice-chairman, Mrs. Nellie McClung, J. Wilfrid Godfrey, K.C., Canon Fuller, and I think a new member, Mr. Rowe Holland of Vancouver, Adrien Pouliot of Quebec, James Sutherland

Thomson of Saskatoon, another new appointment by the name of Mr. Charleson of Ottawa. As I look over the personnel and without attempting to cast any reflection upon the personnel in any way—I have no occasion to do that—it does appear to me that there are two classes or sections of our country that certainly have no real representation on that Board of Governors. I know your answer will be—quite a proper one, I think—that these men are chosen under the Canadian Broadcasting Act from a geographical standpoint. In other words, it is a question of east and west and the central part of Canada. But there is not a farmer anywhere on this board, and nearly forty-five per cent of our population in Canada are rural dwellers. I only make this suggestion as a basis for our recommendations when the report comes from the committee. I am not making it by way of criticism at all, but I want to mention this point; there is not a farmer anywhere on the board. So far as I know there is no one who is directly connected with farming activities, as it would be shown so far as their occupational designation is concerned.

In addition to that—I feel very strongly on this point—you have not a man who can be regarded either as representing the great working class of the country. These two sections, from an occupational division of Canada, are of tremendous importance, and I am not so sure that we are increasing the prestige or the standing of the corporation or of the government by appointing men from a geographical point of view, picking out men who have no direct connection with either of these two main lines, if you like. I make no apology for saying that because our farmers and working men are beyond any question the most important classes outside of our men in active service that Canada has to-day. I was wondering if that matter had ever been discussed by the Board of Governors in connection with their various activities and their various deliberations; because in the formulation of policy and in your general discussions you must have felt a lack of some of the agricultural views of the country and also the views of the working men and their families throughout the dominion. I should be very glad indeed to have the chairman comment so far as he may go with respect to that suggestion; because I am quite sure he would be in agreement with me and I suggest that at least these two classes of our people ought to have some adequate representation on a thing, which Mr. Brockington said, and I thought it was one of the most, perhaps, the most compelling statement I had ever heard made by anyone in a committee meeting. That was in 1939 when he said: "Radio is Canada writ small; it is such an intimate medium that it sings with the kettle on the stove and it purrs with the kitten on the hearth." It gives one, I think, in a few words the real way in which radio reaches its hand right into the living room, into the kitchen of the people of the country in general; and because of that it seems to me that these two sections of our population should have consideration. And I suggest, particularly to the minister, that these two sections should have adequate representation on the Board of Governors for the purpose of increasing first of all, the confidence of the country in the affairs of the corporation, and, secondly, bring to the deliberations of the Board of Governors the valuable views that those two representatives of these sections can only bring.

Hon. Mr. THORSON: May I say that I welcome the suggestion made by Mr. Graydon.

Mr. COLDWELL: I was just going to add I should like to endorse what Mr. Graydon has said, but I would also make this comment; the thing naturally that I am interested in is to preserve the radio Broadcasting Corporation as a national organization with complete control over all radio activities in this country. I want there to be no misunderstanding about that. Mr. Graydon has pointed towards the lack of representation; I am going to point to the overwhelming representation. You have Mr. Nathanson as vice-chairman of the board, for many years president of the Famous Players Corporation. You

have the governor who has just been appointed, Mr. Holland, from Vancouver, who was chief counsel for the Famous Players Corporation. These two gentlemen represent, to my mind at least, a competing industry and to have a competing industry as heavily represented by the former president of the Famous Players Corporation and the counsel for this corporation on this board is to my mind not in the best interests of Canada. I suggest they could be replaced by two representatives suggested by Mr. Graydon and I bring that to the attention of the minister.

The CHAIRMAN: Why are you fearful of them?

Mr. COLDWELL: I am fearful of them because they are operating an industry which is a competing industry.

The WITNESS: I may say there was never any questions of clash of interests in this respect between Mr. Nathanson and the board. May I add also that we have had on the board some members who are of a very high type of mentality. Take Mr. Bovey who was the vice-principal of McGill University. We have Dr. James Thomson, a very high type of man, president of Saskatoon University. We have Mrs. McClung, who certainly can state that she was representing the farmers because she was a member of the legislature in Alberta and is very much interested in the prairie provinces and she is still taking care of a small farm in Victoria. I mean these two members particularly, because they are of a very high type.

By Mr. Graydon:

Q. It would not hurt to have another farmer besides Mrs. McClung.—

A. The members of the board as a whole never think of disregarding the interests of the farmers or the interests of the labouring classes.

Mr. HANSELL: I cannot say that I follow Mr. Coldwell's argument completely. He and I agree on many things. I do not know that the Canadian Broadcasting Corporation or radio in Canada is necessarily to be regarded as competitive with other types of entertainment. I think they both have their places. I would say further in connection with the other matter of farm and labour representation that I quite agree with that, but I think the question goes deeper than that. The question goes so far as to determine what the function of the Broadcasting Corporation is, what the function of radio is. Is the function of radio, for instance, to serve the people from an educational point of view or is it the function to serve the people from an entertainment point of view? I think there are both. Now, from the educational point of view I can quite understand where the farmers and labourers should have some representation. I cannot quite follow though that the farmer needs to be entertained in any different way from the business man who lives in the city. I do not suppose Mr. Morin can say that he has any particular complaint along that line, that the farmers and labourers are not being entertained as they might be.

The WITNESS: No.

By the Chairman:

Q. Mr. Morin, I recognize that the Board of Governors has nothing to do with their own appointment or even suggestions as to who shall be the personnel, but the question I should like to ask is this: Do you think that the board would function better if there were a more diversified representation of occupational groups on the board?—A. I cannot see that it would be materially improved upon. It would all depend on the type and character of the men themselves. The fact that they belong to one class or another is immaterial. It is the intellectual value of the man which counts in a matter of that kind.

Q. What then do you think of the matter of geographical representation? I know it carries out the statute.—A. Well, there the question of coverage

throughout the country is involved and I think it was a good idea on the part of the government to appoint representatives on the board from the different sections of the country.

By Mr. Claxton:

Q. It made more difficulty in meeting; hence I suppose, your appointment of the executive committee?—A. Yes.

Q. It is obvious, I suppose, that was one of the reasons why you instituted the executive committee?—A. Certainly.

By Mrs. Casselman:

Q. You hold the meetings at different places throughout the country, and not always in Ottawa?—A. They have been sometimes held at other places, but for the last two or three years they have been held exclusively in Ottawa.

Q. I thought I heard you say one was held in Regina?—A. One was held in Regina, one in Quebec, one in Montreal, one in Toronto, and the others in Ottawa.

Q. Would it be a good idea to consider moving your meetings out west sometimes, then?—A. We have been thinking of going to Vancouver to enable Mrs. McClung to attend meetings because she could attend meetings in Vancouver but she cannot travel to Montreal at the present time. We would have done that but there were objections which came up at the last minute.

By Mr. Claxton:

Q. How long since she has not been able to attend the meetings of the board?—A. I think seven or eight months.

By Mr. Graydon:

Q. I can bring myself in agreement with that, and the question of the necessity of having outstanding members on the Board of Governors. I believe that the question of public confidence in the Board of Governors is of tremendous importance and I would be the last one to suggest that because of occupational activities only a man should be appointed. My object in raising the point in the first instance was that, having regard to the fact that there are among our farmers and among our working people in Canada men of high standing not only intellectually but in a business way and also with exceedingly good views on matters of public ownership of this kind, I am quite sure that you would have no difficulty in finding the equal so far as appointments were concerned in those two groups, of any other group in the community. I do not say that in any dogmatic fashion. Those of us who have come in contact with the groups have a full realization that your board would not be weakened by certain appointments from the groups to which I have referred, but if I may say so, would be rather strengthened than weakened.

Mr. HANSON: Are members of the board appointed by the board or by the government?

The CHAIRMAN: By the government.

Mr. HANSON: Therefore Mr. Morin has nothing to do with it.

Mr. GRAYDON: I was not suggesting Mr. Morin should make any appointments, but I was hoping because of this discussion it would reach the ears in the vicinity.

Hon. Mr. THORSON: The remarks of Mr. Graydon were really addressed to me, I imagine.

By Mrs. Casselman:

Q. Is there any provision whereby a member who misses so many meetings his resignation should be sent in?—A. No, there is no such regulation in our corporation.

Q. It is at the discretion of the individual member?—A. Yes.

By Mr. Hanson:

Q. Does the member draw any salary; they are paid, are they, by the government?

The CHAIRMAN: An honorarium.

The WITNESS: They have an honorarium of \$50 per meeting. If they do not attend the meeting they get nothing.

The CHAIRMAN: They get their expenses paid too?

The WITNESS: Yes.

The CHAIRMAN: Excuse me. Is that a change from the statute as well? The statutes say: "The chairman shall receive an honorarium of one thousand five hundred dollars per annum and if an executive committee is established by by-law, each of the governors on such executive committee shall receive an honorarium of one thousand dollars per annum; other governors of the corporation shall receive fifty dollars for each meeting they attend, but shall not receive more than five hundred dollars in any one year."

By Mrs. Casselman:

Q. What do you consider a meeting?—A. A meeting may last three or four individual days, but it is only one meeting.

By Mr. Coldwell:

Q. You have not an executive committee so nobody is drawing that?—A. No.

The CHAIRMAN: They receive their disbursements.

The WITNESS: The finance committee has not drawn anything.

By Mr. Graydon:

Q. What will be the provision made for this executive committee which is being constituted out of the Board of Governors? Would there be any provision made with respect to additional salaries for those?—A. I think they automatically, under the Act, will receive an honorarium of \$1,000 except the chairman who already receives honorarium of \$1,500.

Mr. GRAYDON: I think we ought to get away from these fancy names for getting money. I think we ought to call them salaries or wages, if necessary, and get away from these fancy names.

Mrs. CASSELMAN: What about fees?

Mr. GRAYDON: I think we should call them by some other name than honorarium or fees, and I agree with that thoroughly.

Mr. COLDWELL: Emoluments.

Mr. GRAYDON: With regard to the question of fees, many times it is very hard work and I think it should be called wages. With regard to this question of honorarium I would say to Mrs. Casselman indemnity too, because I think we all are in the same boat on that. The public does not understand what is meant by honorarium. Honorarium seems as though it is something that is given out of the goodness of the government's heart when actually it is pay for services rendered.

The CHAIRMAN: It is a recognition that it is not adequate compensation.

Mr. GRAYDON: If it is not adequate compensation——of course, there is no evidence adduced here to indicate that——the labourer is worthy of his hire; and if he is worth a certain amount of money he should be paid it. I do not think that a workman who gets \$1,200 a year is adequately paid. Why should not that be called an honorarium, because I know they are not fully compensated for the work they are doing? However, that is beside the point.

By Mr. Coldwell:

Q. I was going to ask Mr. Morin about a statement of policy issued in July, 1939, or if there has been any new statement since. Does the statement of policy issued in July, 1939, still stand?—A. It stands except in so far as certain portions may have been left in abeyance on account of the war.

Q. Do you not think it would have been wise to issue a statement of policy in relation to the corporation's activities for the war period?—A. Well, I think the general manager may do that.

Q. It is just a matter of wisdom?—A. Yes.

By Mr. Claxton:

Q. The 1938-1939 committee strongly recommended in favour of the establishment of a high-power shortwave broadcasting station. I think it would save the time of the committee if I read the recommendation of the 1938 committee with regard to that.

Your committee was impressed with the importance of the establishment at an early date, of a high-power shortwave broadcasting station. Such a station, your committee believes, would be a great utility in interpreting and advertising Canada abroad and in facilitating an exchange of programs between Canada and other broadcasting systems. Canada, your committee was informed, is the only major trading nation without such facilities. It is submitted this should be financed as a national project, operated and controlled by the corporation.

This is what the 1939 report says:—

The committee of last year emphasized the importance of establishing, at as early a date as possible, a high-power shortwave broadcasting station, financed as a national undertaking, but operated and controlled by the corporation as an integral part of its system. Such a project would facilitate the exchange of programs with other countries, would serve to advertise and interpret Canada abroad, and supplement the domestic program service. Canada is the only leading trading nation without such facilities. We desire to draw the attention of the government to the imminent possibility that further delay in proceeding with the undertaking may result in Canada losing altogether the shortwave channel registered in her name, and as a consequence being shut out of the field entirely.

I wondered, Mr. Chairman, if Mr. Morin could tell us if this has been considered by the board and if so with what results.—A. This has been considered by the board, but the board does not feel that it falls within its jurisdiction to establish a shortwave station for advertising Canada outside of our own country. We are living out of the licences paid by radio owners in Canada and we believe that the proceeds of those licences should be used to give service to those who pay for it, and if a high-power shortwave station is necessary it is for the government to build it and operate it or to provide us with the funds necessary to operate it. That would cost about \$400,000 a year for operation. But we do not feel that we can take the licence fees paid by the radio owners in Canada to give that service.

Q. How much would a station cost initially?—A. About \$400,000—the construction.

Hon. Mr. THORSON: More than that.

The WITNESS: More than that now?

Hon. Mr. THORSON: About \$800,000.

By Mr. Claxton:

Q. Was this recommendation of the committee in the report of the board of governors brought to the attention of the government?—A. There must have been at least some conversation with members of the government on that point.

Q. Did your board make any recommendation to the government?—A. I do not believe we made any special recommendation, but we came to the conclusion that we could not do it.

Q. You could not do it yourselves?—A. And the government is aware of that.

By Mr. Coldwell:

Q. Is there a minute relating to that, Mr. Morin?—A. "The matter was discussed by the board and the chairman emphasized—that was Mr. Brockington—the real need for a high-power short wave station. He was authorized to take the matter up with the Minister of Transport."

Q. That was when?—A. In 1939.

Q. Was that after the findings of the parliamentary committee?—A. Yes.

Q. How was it taken up with the Minister of Transport? Was it done verbally or by letter?—A. Verbally, as far as I know. I have not seen any correspondence.

Q. I was going to ask this question. Did the chairman of that day present a report to the board regarding his conversations on that point?—A. I do not think he did, except perhaps he made a statement that he had explained to the government that the C.B.C. would not proceed with the construction of this high-power station.

Q. The minutes of the corporation would indicate whether he had reported to the board or not, I imagine, and what the report was.—A. It may be entered in the minutes. It may not be. He may have given us this report in an informal way.

By Mr. Claxton:

Q. I do not know if the members of the committee know it, but Australia seems to have done an exceedingly effective job of shortwave broadcasting throughout the world. It seems to me that if there was a need before the war for such a station and service, there is even a greater one now when it has become important not only that Canada's position and part in the war be appreciated abroad, but also that we could send back to Europe from our own people some of the material that would be useful in persuading our friends that we are going to win and that they should co-operate with us. In other words, we could play a useful part, particularly in view of the racial position of Canada, with respect to counter-propaganda in occupied countries. Is that your view, Mr. Morin?—A. Absolutely. I have always been a strong advocate of the construction and operation of a high-powered shortwave station for broadcasting to Europe and South America.

Q. Do you know if a station could be got now, or is it possible to obtain the equipment?—A. I doubt it, on account of the priorities.

Q. Perhaps the general manager, Dr. Frigon, could answer better.—A. Yes.

Mr. HANSELL: Mr. Chairman, the minister was not in when Mr. Claxton first brought this matter up in connection with foreign broadcasts reaching Canada. Mr. Claxton's argument is that shortwave stations should be perhaps given some consideration to counteract these. It would be in order, perhaps, if the minister would tell us whether the government has given any consideration along that line.

Hon. Mr. THORSON: Oh, yes. The government has given consideration to the construction of a shortwave station. It has been before the government on a number of occasions.

Mr. HANSELL: A million dollars spent on something like that may be well worth it. Of course, that largely depends on how popular, shall I say, these foreign broadcasts are.

Hon. Mr. THORSON: If I recall it correctly, the construction of such a station would cost about \$800,000. Then the annual upkeep is very difficult to estimate. It depends on the extent of the programs that you put on. I would imagine that the annual upkeep would perhaps be \$500,000.

The CHAIRMAN: Would that type of station be practically non-revenue producing?

Hon. Mr. THORSON: There would be very little in the way of revenue produced from it. I think you could almost say that it would be non-revenue producing.

By Mr. Hansell:

Q. Mr. Morin, you mentioned, some time ago when this matter was first brought up, that the board of governors had not given any consideration to counteracting foreign broadcasts.—A. Yes.

Q. I would take from that that you had not had very many complaints about it; and if Canadians had complained very vigorously about it, the possibility is you would have given some more consideration to it?—A. It is a fact, sir, that I never received any communication on this matter.

Q. You would not know, then, just how widely they are being received?—A. Well, the statement has been made by Mr. Claxton that these broadcasts were widely listened to in Quebec.

Mr. CLAXTON: I did not say that. I am sorry to contradict you, Mr. Morin. What I said was that they are frequently broadcast. I did not say anything about their being listened to.

The WITNESS: Because in my conversations with my relations, with my friends, I never heard one refer to any of these broadcasts.

Mrs. CASSELMAN: Is any attention paid to these broadcasts by the press in Quebec? Are they quoted from at all? That is, do they get to the people, even if the people do not listen to the broadcasts themselves?

Mr. HANSELL: That is a good point, Mrs. Casselman.

The WITNESS: Well, there is a certain press in Quebec expressing ideas with which I am in full harmony; and there is another press with which I am not in harmony.

By Mr. Hansell:

Q. No, that is not the point. Is the press using these broadcasts?—A. Not to my knowledge.

By Mr. Claxton:

Q. I think I can say this, Mr. Chairman, with regard to these foreign broadcasts coming into both Canada and the United States. Studies have been made particularly in the United States, and they show beyond any question that the press, which in the States goes under the name or used to go under the name of the isolationist press, undoubtedly in its slant on news and changes of policy bears a very close relationship to the material that goes through these foreign broadcasts. I have seen records in the United States that brought that out completely. That is the view, I think, of all people engaged in propaganda in the United States, that the effect of the broadcasts is not so much directly on

the listener, but is exercised indirectly by the use made of the material either through the press or by word of mouth. I think the same can be said—although perhaps to a lesser extent—in the province of Quebec. I know that these broadcasts have received wide attention in the province of Quebec. I do not think that they are listened to very widely, because it is frequently difficult to hear them unless you have a unusually good set.

Mrs. CASSELMAN: They become the basis of statements made?

Mr. CLAXTON: Yes.

The WITNESS: But the press which publishes those statements does not give the authority or the source from which they come.

Mr. COLDWELL: No. I think that it would be a good thing to have a short-wave broadcasting station of this description. I wish the government would do it now. Perhaps the need is not as important now as it was before the United States entered the war. It often used to strike me that if anything happened to Great Britain,—if a successful invasion of the country took place and the stations over there were destroyed,—then there was no medium within the British commonwealth which could reach the European people. A station here then would have been of paramount importance. Of course, the United States are now in the war and to some extent that fear has been met.

The WITNESS: Yes.

Mr. COLDWELL: But I agree with Mr. Claxton and the chairman, too, that we should have such a station for shortwave broadcasts, even if it did cost the country some money.

Mrs. CASSELMAN: I notice that these Free French broadcasts have been going through WRUL of Boston.

The WITNESS: Yes.

Mrs. CASSELMAN: I suppose there would be the possibility, if Canadians wanted to broadcast from the C.B.C., they could go through that same station?

Mr. CLAXTON: That has been done.

The WITNESS: Yes, that has been done.

Mrs. CASSELMAN: That is done to some extent now?

Mr. CLAXTON: These free broadcasts by French speaking Canadians addressed to the people of France are made through that station.

Mrs. CASSELMAN: Yes.

Mr. CLAXTON: But we have to go to the States to do it or it has to be piped through the States.

Mrs. CASSELMAN: It has to be fed to them. Is that not the proper expression?

Mr. CLAXTON: Yes.

Mr. HANSELL: There is a way of counteracting reception of those broadcasts. Perhaps counteract is not the word to use. You could prevent the manufacture or importation of shortwave reception sets.

Mr. COLDWELL: Oh, well, that would be not only difficult but would be deeply resented in a democratic country.

Mr. HANSELL: Possibly it would be. The position is just this. You talk of building a shortwave station to counteract foreign broadcasts. But if in those foreign countries they do not have any shortwave receiving sets, you are not going to counteract them anyway.

Mrs. CASSELMAN: Except that you might also get into their press—their hidden press.

Mr. COLDWELL: Their underground press.

Mrs. CASSELMAN: Yes. At least there is said to be an underground press.

Mr. COLDWELL: Oh, there is, undoubtedly.

By Mr. Claxton:

Q. Some reference was made yesterday, Mr. Chairman, to the late Mr. Alan Plaunt's report, and it is obviously important. I should like to ask the chairman one or two questions bearing on that. I think, Mr. Morin, you knew Mr. Plaunt from the creation of the corporation in 1936?—A. Yes.

Q. He joined the board at the same time as you, did he not?—A. Yes.

Q. What would you say as to his contribution to the work of broadcasting?—A. Excellent.

Q. Would you agree with Mr. Brockington when he told this to the committee in 1939? When he was going through the list of the board, he paid a very high tribute to you, and I think he paid tribute to everyone. However, he said this of Mr. Plaunt.

In Ontario we have in Ottawa Mr. Alan Plaunt, who, if I may say so in his presence—I hope he won't mind —has in my opinion made the greatest contribution to national radio of any individual in this country. He started the activity of the Radio League. National radio has had not only his enthusiasm but a very substantial portion of his fortune ever since it started.

A. Yes.

Q. Would you agree in substance with that?—A. Yes. I had a great deal of consideration and esteem for Alan Plaunt. I liked him.

Q. And when he was appointed to make this report on the activities of the corporation, I take it that he was selected because of his interest and the valuable contribution he had made?—A. And because of confidence in him.

Q. The report is dated 30th September, 1939, and he resigned on the 30th of August, 1940; that is eleven months after?—A. Yes.

Q. I think you told us that his report was to have been considered at the meeting to be held on the 16th of October, 1939, but he fell ill?—A. Yes.

Q. And as we know, he was operated on afterwards?—A. Yes.

Q. But he attended the meeting in April?—A. Yes.

Q. And the report was considered then, was it not?—A. It was not considered in its details. We gave effect to certain of the recommendations made but at the same time, at that April meeting, as I stated probably at a time when you were not here, Mr. Claxton, we decided then that we would appoint a special committee to meet with Mr. Plaunt and study his report and get the additional explanations which he had promised us.

By Mr. Hansell:

Q. What date was that?—A. That was at the April meeting—April, 1940.

By Mr. Graydon:

Q. Is there anything on the minutes with respect to that?—A. "Mr. Plaunt than briefly outlined the facts leading up to his investigation and the subsequent report by himself and Mr. Thompson of Messrs. Clarkson, Gordon, Dilworth and Nash, Montreal. The board agreed that a committee should be formed composed of the chairman, Messrs. Nathanson, Godfrey and Plaunt, to discuss both the reports of Messrs. Thompson and Plaunt, and to bring in a final report for the next meeting of the board."

By Mr. Claxton:

Q. That next meeting of the board had to be postponed, I think you told us yesterday?—A. The special meeting had to be postponed because one of the members did not attend; one of two of the members could not attend on that particular day.

By Mr. Coldwell:

Q. Who were the members who could not attend?—A. I think it was Mr. Godfrey or Mr. Nathanson. I do not remember. But I received instructions in Montreal that the other members could not attend so the meeting was postponed.

By Mr. Claxton:

Q. Then a meeting was held on the 19th of August, 1940, was it not?—A. Yes.

Q. When all the members were present except General Odium?—A. Yes. We had planned to discuss this report then, but we were so taken up by the question of the news, by the long delegations and long interviews which we had, that we did not do so.

By Mr. Coldwell:

Q. What delegations were they?—A. The Canadian press, the Canadian Association of Broadcasters.

By Mr. Claxton:

Q. Did Mr. Plaunt ever supplement his report with the verbal illustrations to which he refers?—A. No. At that meeting in August I have this: "Mr. Plaunt drew the board's attention to the fact that the committee named at the April meeting to examine the reorganization reports of himself and Mr. James C. Thompson and to report to the present meeting had not, in fact, met. Mr. Plaunt said he thought it was clearly understood that this committee was to meet immediately prior to the present meeting. He said he wished to make his position in the matter clear to the board as a whole. The chairman pointed out that the matter was still in the hands of the committee, but that there seemed to be no reason why it should not be dealt with at the next meeting."

Q. So that although the report was in your hands eleven months, the board never really basically discussed it, except at the first meeting in April at which it came out.—A. Oh, no. First, when the report came in, we instructed the general manager and the assistant general manager to study it. I have before me a report from the assistant general manager, addressed to the general manager, dated October 25, 1939.

By Mr. Graydon:

Q. That would be 1940, would it not?—A. 1939. right after, or a short time after the meeting.

Q. Oh, yes.—A. I have that report saying that the report was being studied. As I said before, in the winter or spring of 1940 we made certain decisions for the purpose of giving effect to a number of the recommendations made by these two committees or these two reports. One of the things that was done outside of this, which I mentioned before, was the reclassification of our staff. That was in accordance with the recommendation of the Thompson report. There was also the establishment of a scale of salaries for the different positions. All this work was done as a result of the report made to us by Mr. Plaunt and Mr. Thompson.

Q. Did Mr. Thompson appear before the board to this case?—A. No.

Q. Did I understand you to say, Mr. Morin, that Mr. Thompson had not appeared before the board of governors up until that time?—A. Well, I am told that he had a private conversation with members of the board, but not at a regular meeting and that no mention of it appears in the minutes.

By Mr. Claxton:

Q. I take it that Mr. Plaunt probably had private conversations with members of the board too?—A. Yes.

Q. He must have had them with you, for instance?—A. Certainly.

Q. So that something was happening all the time.—A. Oh, yes.

Q. Although there was nothing formal; it was not considered at formal meetings except as stated?—A. Yes.

Mr. GRAYDON: I do not want to throw any cold water on the rather pleasing picture that Mr. Claxton has attempted to paint here. But there is a letter dated August 30, 1940, addressed by Alan B. Plaunt to yourself as chairman of the board of governors. I shall not attempt to read the entire letter because it is much too long to put on the record. But I think there is one paragraph of that which the chairman will find it necessary perhaps to refresh his memory on. On page 4 of that letter, which was tabled in the House of Commons, Mr. Plaunt says this. He heads up his paragraph: "Action successively deferred." That does not look as though the picture is quite as we have heard it painted. But I realize that different interpretations may properly be placed upon it. He goes on to say this:

"These reports which, to say the least, confirm the misgivings which led to them, were presented to the board at its meeting of October 16 and 17. Unfortunately, I was unable, because of an intestinal operation, to present them in person. Mr. Thompson, however, appeared before the board and explained his own comprehensive report. No steps were, however, taken to implement any of the recommendations at that time.

No steps were taken then and no important steps have been taken since." This is almost a year after. It is written almost a year after the report came in. He continues:

"Some passing consideration was given to Mr. Thompson's report at the November 17th meeting of the finance committee. At the January meeting of the board I urged, in a written statement read in camera by the chairman, that serious consideration be given and action undertaken at that time. Indeed, I informed the board that my position on it would be rendered untenable unless this were done."

That is in January. He continues.

"I was urged by yourself, Mr. Nathanson and other members of the board to be patient; that the next meeting would undoubtedly give the matter due consideration.

At the April 15-16 meeting, a committee consisting of the members of the finance committee plus myself was named to examine the reports and submit its recommendations to the following meeting of the board.

As then arranged, and subsequently confirmed by letter, this committee was to meet in Montreal on July 6 and 7. This meeting was successively postponed but it was always, as I thought, clearly understood that the committee would meet prior to the assembling of the full board.

When I discovered, for reasons not divulged to me, that no time was arranged for it to meet prior to the August 19-20 meeting, I wired you outlining my understanding of the matter. I then proceeded to spend four days reviewing the reports and all the material relating to them, spending a day in Montreal with Mr. Thompson for the purpose of reviewing his own findings. On Saturday, August 17th, I received an answer to my telegram to you, assuring me that an effort would be made to carry out the understanding."

The understanding, as you will readily see, was that there should be a meeting of that committee prior to the board, which I should think would be a reasonable suggestion. He continues:

"When the news committee met at 2.30 on Sunday, August 18, Mr. Nathanson advised me that time would be arranged for an examination of the reports, first by

the reorganization committee and afterwards by the board as a whole. Then, for whatever reasons you wish to ascribe, nothing was done either by the reorganization committee or by the board. Consequently, I explained my position to the board and I am now taking what appears to me to be the only appropriate action remaining to me.

Despite the fact that the underlying defects which led to the surveys last July are still present and despite the need for speedy action revealed by the reports, I have been obliged to reach the conclusion that neither the finance committee or the board has any real desire or intention of dealing with these problems."

The CHAIRMAN: Excuse me, Mr. Graydon. For the information of the committee, may I ask if the Thompson report and the Plaunt report were separate reports upon the same matter?

Mr. GRAYDON: No.

The CHAIRMAN: This need not go on the record.

Mr. COLDWELL: I think it should go on the record.

Mr. GRAYDON: Mr. Plaunt's report which was given at the instance of the board of governors, was a report on the organization and personnel of the corporation. Mr. Thompson's report, which is the same report as the Clarkson, Gordon, Dilworth and Nash report—because he is connected with that firm—is a report on the structural organization and the financial administration of the corporation.

The CHAIRMAN: I did not want the committee to be confused in their own minds or to assume that the Thompson report was the report of a director or of a governor.

Mr. GRAYDON: No.

The CHAIRMAN: The Thompson report was from an auditing firm.

Mr. GRAYDON: I think, in view of that letter, it would be very enlightening, and I think it is essential to the committee's work that we should have the minutes of those meetings which were held in October, in January, in April and in August referring to these two reports, because I think that is the very essence of our discussion.

Mr. COLDWELL: I think too, in order to make the record complete, and in view of the importance of this letter of Mr. Plaunt's, it should be included in the record. Mr. Graydon did not read all the letter. He read some paragraphs from the letter. I think the whole letter should be printed as part of the record, so that we will have it clearly before us.

The CHAIRMAN: You mean the letter of resignation or the letter in regard to the report?

Mr. GRAYDON: This is the letter of resignation.

Mr. COLDWELL: I mean the one which Mr. Graydon quoted.

Mr. GRAYDON: This is the letter, August 30, 1940, directed to the chairman by Mr. Plaunt.

Mr. COLDWELL: That is right.

Mr. GRAYDON: There was also filed in this sessional paper another letter, dated the same date, to the Prime Minister; and a third letter, also dated the same day, to Honourable C. D. Howe, Minister of Munitions and Supply, under whose department the broadcasting corporation carries on its activities. These three were duly filed or tabled in the House of Commons on Friday, December 6, 1940. I think that is the date. In any event, it is sessional paper number 124A.

Mr. COLDWELL: That is right. It is 1940. I think those letters should be included in the record, the one to the chairman of the board, the one to the Prime Minister and the one to the Minister of Transport.

The CHAIRMAN: Do you make a motion to that effect?

Mr. COLDWELL: I will move that these letters be included in to-day's proceedings.

Mr. GRAYDON: I will second that.

The CHAIRMAN: You heard the motion. Any discussion on the motion? Then all those in favour please signify.

The motion was agreed to.

Mr. CLAXTON: Mr. Graydon made reference to what I said before, and I do not think he placed the correct interpretation on my last remark. What I was trying to do was to get the facts and to see that justice was done; and also to see if anything useful could be brought before this committee arising out of this whole matter, including particularly the reports of Mr. Thompson and Mr. Plaunt which I think we will have to go into in some detail. One thing I should like to do while we are at this is to draw to the attention of the chairman, Mr. Morin, that the first report the public had of Mr. Plaunt's resignation was in a Canadian Press despatch of October 23, and after referring to the fact of his resignation there is this comment by the chairman:—

Act Held Unjustified

Rene Morin, chairman of the Board of Governors of the Canadian Broadcasting Corporation, said last night it was the belief of the board that there was "no justification" for the resignation of Alan B. Plaunt of Ottawa from the board.

"Mr. Plaunt made a number of recommendations to the board," said Mr. Morin. "Several of these recommendations had already been acted upon, and on a motion of Mr. Plant himself, the remainder were left over for the next meeting of the governors. However, Mr. Plaunt resigned about a month before the meeting."

The remark to which I refer is the statement that Mr. Plaunt resigned about a month before the meeting. Mr. Plaunt himself in a letter to Mr. Morin, dated 31st of October, 1940, corrects that impression. He says this:

Dear Mr. MORIN:—

I think I should bring to your attention a factual inaccuracy in the October 23rd dispatch of the Canadian Press which quotes you in part as follows:—

"... and on a motion of Mr. Plaunt himself, the remainder (of the recommendations) were left over for the next meeting of the Governors. However, Mr. Plaunt resigned about a month before the meeting."

The minutes of the April and August meetings, as well as the carefully prepared letter I sent you on August 30th, clearly show that my motion was made at the April meeting and that the committee thus established was to report definitely to the next meeting, which was that held in August.

So that actually his resignation was considerably after the meeting, and not a month before as stated.

The CHAIRMAN: Do you refer to the tendering of the resignation or the acceptance of it?

Mr. CLAXTON: The tendering of it.

The CHAIRMAN: The tendering of it was in August.

The WITNESS: What I had in mind was in the next meeting we did not take action, positive action on these reports because we did not have time, nor did Mr. Plaunt see fit to give us the supplementary explanation and information which he had promised in his report; and he agreed then that although the matter had been postponed much too long, he agreed the matter would be discussed on the order of the day at the next meeting which took place in October

or November. It was a great surprise to me when I learned that Mr. Plaunt had sent in his resignation. As a matter of fact, knowing him as I did, he would never have resigned if he had been in good health.

By Mr. Bertrand:

Q. Did the board ever get this explanation that you were waiting for?—A. The verbal explanation, no. Mr. Plaunt resigned before giving that.

By Mr. Coldwell:

Q. You said a little earlier that although Mr. Thompson had discussed the report with members of the board, and that Mr. Plaunt had a conversation with members of the board.—A. Yes; he attended the meeting in April and then he attended the meeting in August.

Q. Meantime he had seen members of the board and given them, I believe, some outline of what he intended to say before the board during that eleven months. I may say Mr. Plaunt told me that himself.—A. I will not deny that there was a private conversation.

By Mr. Claxton:

Q. So that actually he did make a verbal explanation?—A. What I mean is there was no official statement made by Mr. Plaunt before the board at a regular sitting.

Mr. BERTRAND: Before his resignation.

By Mr. Coldwell:

Q. There was not the opportunity in the eleven months which elapsed to do that?—A. Certainly it was his opportunity as a—

Q. The agreement was that the matter should be discussed in August and the board was occupied with the Canadian Broadcasters and other matters, I think of minor importance, in comparison with the reports of Thompson and Plaunt.

The CHAIRMAN: It is past one o'clock. Will it suit the members of the committee to meet on Friday?

Mr. COLDWELL: Yes; to-morrow if possible.

Mr. CLAXTON: Not to-morrow.

Mr. BERTRAND: I think Mr. Morin has an answer to the remark made by Mr. Coldwell.

The CHAIRMAN: Do you want to finish?

The WITNESS: I was merely wishing to refresh my memory.

Mr. COLDWELL: Mr. Morin can refresh his memory during the recess.

The WITNESS: Do you expect me to come back on Friday?

Mr. COLDWELL: We expect to have you here the next time we meet.

The WITNESS: May I suggest that you might take the general manager and the assistant general manager and then I will come back one day next week, let us say, if you wish?

Mr. GRAYDON: Would to-morrow suit you better?

The WITNESS: No. I have been two days away from my office.

The CHAIRMAN: I thought Mr. Morin could have a day for himself, that is why I suggested we sit on Friday. Can you come to-morrow, Mr. Morin?

The WITNESS: No. I should like to postpone it until Tuesday, as Monday is a holiday.

Mr. GRAYDON: Make it Tuesday.

The CHAIRMAN: All right, we will adjourn to meet again on Tuesday the 26th of May, at 10.30 a.m.

APPENDIX "A"

411 Blackburn Building, Ottawa, Canada,

August 30, 1940.

Hon. C. D. HOWE, M.P.,
Minister of Munitions and Supply,
Ottawa, Canada.

Dear Mr. Howe,—Kindly request the Governor-in-Council, at your earliest convenience, to accept my resignation as a member of the Board of Governors of the Canadian Broadcasting Corporation.

I should be grateful if you would also convey my appreciation of the honour, and opportunity of service, bestowed in my appointment as a member of the first Board in November, 1936, and subsequently in my reappointment for a further term.

My reasons for resigning at this time have been explained at length to the Chairman, Mr. Morin. I have also written to the Prime Minister.

Briefly, I feel that, as a public trustee, I should not continue to accept responsibility for the internal organization and executive direction of the Corporation when I have long ceased to have confidence in it.

I do not mean to suggest that I consider the general framework of the Broadcasting Act inadequate. On the contrary, it is generally agreed that the Act provides an admirable framework for the development of a non-partisan, business-like, and effective system of national broadcasting.

I would have taken this step early in the year had not my colleagues given me some reasons to hope that the serious defects revealed by the reports prepared, at their unanimous request, by Mr. J. C. Thompson, C.A., and myself would be remedied. I have, however, finally been obliged to conclude that such is not the case.

It is my considered view that the present conditions seriously hamper the Corporation in fulfilling its function in the war emergency, and prejudice its survival as an effective instrument of national unity afterwards.

In these circumstances, I can no longer serve a useful purpose by remaining on the Board. Consequently, I wish to be free to engage in other aspects of national service.

In closing may I say how much, over a long period of time, I have valued your own interest in national broadcasting. I shall not forget your cordial consideration of the scheme of reorganization I had the honour to present to you on behalf of the Canadian Radio League in the autumn of 1935 and our many subsequent discussions prior to the formulation of the Canadian Broadcasting Act.

With kind regards,

Yours faithfully,

(signed) ALAN B. PLAUNT

APPENDIX "B"

411 Blackburn Building,
OTTAWA, CANADA,
August 30, 1940.

The Right Hon. W. L. Mackenzie King,
Prime Minister of Canada,
Ottawa, Canada.

My dear Mr. King,

Attached is a copy of a letter to the Hon. C. D. Howe, asking him at his earliest convenience to request the Governor-in-Council to accept my resignation as a member of the Board of Governors of the Canadian Broadcasting Corporation.

My reasons for taking this step are briefly indicated therein. I feel it my duty, as a public trustee, not to continue to accept responsibility for conditions I deplore.

I do so without desiring, in any sense, to reflect upon my colleagues, and in particular, the Chairman, for whom I have the highest regard. I enclose a copy of my letter to him, explaining my position at length. I also enclose copies of reports prepared, at the unanimous request of the Board, by Mr. J. C. Thompson, C.A., and myself. They were the result of exhaustive surveys of the Corporation's internal organization conducted last summer and early autumn.

I do not wish, either, to embarrass you at a time when you are obliged to carry such staggering burdens. I believe, however, that you will understand my motives in the matter.

I have felt, ever since the Aird Report, that you had deeply at heart the great possibilities, as an agency of Canadian unity, of a properly organized national system of broadcasting. As you know, I have spent many years of effort to this end.

I am looking forward to the opportunity of engaging in other aspects of national service.

When Council has accepted my resignation, I should greatly appreciate your having a brief announcement given to the Canadian Press.

With kind personal regards,

Sincerely yours,

(signed) Alan B. Plaunt.

APPENDIX "C"

411 Blackburn Building,
OTTAWA, CANADA,
August 30, 1940.

Rene MORIN, Esq.,
Chairman, Board of Governors,
Canadian Broadcasting Corporation,
112 St. James Street, West,
Montreal, Quebec.

Dear Mr. MORIN,—After due consideration, I have decided to resign as a member of the Board of Governors. I have, accordingly, sent my resignation to the Governor-in-Council through Mr. Howe. I have also written to Mr. King explaining briefly my reasons for taking this step.

I am setting out my reasons at some length below. They are, briefly, one, that I cannot continue, as a public trustee, to accept responsibility for an executive direction and internal organization in which I have long ceased to have confidence; I have been obliged reluctantly to conclude that the Board as a whole is unwilling to face the realities of this situation; two, that because of major defects, rapidly becoming chronic, the Corporation is not properly organized adequately to fulfil its function in the war emergency or in the post-war period; three, that in these circumstances, it is unlikely to survive and develop on the lines conceived by Parliament; and finally, that having done my utmost to persuade my colleagues to take decisive action, I am left with the last resource of resignation in order to underline the need for it.

Also, for what it may be worth, I am taking the liberty of including some observations and conclusions on past and future problems. I thought that, because I have been specially interested in the establishment of a national system of broadcasting since 1930, you would not object to my doing so.

1. STEPS NOT TAKEN TO REMEDY DEFECTS REVEALED BY REPORTS

Conditions Leading to Surveys

You will recollect that the Finance Committee at a meeting here in April of last year invited me to undertake, on behalf of the Board as a whole, a survey of the Corporation's organization and personnel. The suggestion came as the result of an accumulation of misgivings and criticisms of the executive direction, staffing and internal organization, voiced by certain members of the Board over a period of years. It came to a head at the above-mentioned meeting because of the discovery of certain practices at Vancouver which appeared to indicate an alarming absence of discipline.

Certain members of the Finance Committee suggested the employment of an outside agency to make a comprehensive survey of the organization. This, you will recollect, I opposed on the grounds that it would be tantamount to a vote of no confidence in the management, and that, in any event, the Board should not thus evade its legal and moral responsibility under the Broadcasting Act. I was greatly surprised when Mr. Nathanson suggested, and the other members of the Finance Committee urged, that I should undertake such a survey. If I would do so, it was argued, the objections to an outside survey would be obviated.

I did not, as you know, agree to the proposal at the time because I was uncertain whether I could or wanted to do so and because, in any event, a

request of this character would have to come from the Board as a whole. When the Board met on July 6, I was unanimously requested to undertake the surveys.

I accepted because I shared some of the misgivings which had been expressed and because I agreed that it was vital for the Board to know to what extent these misgivings were justified. Also, it appeared to me that the task, although invidious in many respects, could comprise a useful conclusion to many years of active interest in the establishment of this national enterprise. I felt that the Corporation, like any enterprise which had expanded so rapidly over a period of only three years, was probably due for a general stocktaking and consolidation.

What the Reports Revealed

So much for the background of the surveys. With the assistance of Mr. James C. Thompson, C.A., for many years provincial auditor of Alberta, who had just completed the financial studies of the Rowell-Sirois Commission I set out during July and August to examine the organization and staffing of the Corporation in a comprehensive way. With Mr. Thompson, I analyzed the position at Toronto, Montreal and Ottawa between which three centres the national headquarters departments are presently divided. I also visited the regional headquarters and studios at Toronto, Montreal, Vancouver, Winnipeg and Halifax and the studios and offices at Quebec City.

Most of the material for the reports was, consequently, obtained before the outbreak of war but the reports were drafted considerably after the outbreak and attempted to take into account the changed conditions. My reports are, as you know, entitled "Reports on the Organization and Personnel of the Canadian Broadcasting Corporation", and are dated September 30, 1939; Mr. Thompson's is entitled "Report on the Structural Organization and the Financial Administration of the Canadian Broadcasting Corporation", and is dated September 23, 1939.

These three reports reveal major defects of internal organization requiring a very considerable degree of reorganization. They indicate directly and by implication, serious deficiencies in the executive direction of the Corporation*. They indicate that delay in implementing many of the recommendations prejudice the Corporation's present efficiency and future strength.

Action Successively Deferred

These reports which, to say the least, confirm the misgivings which led to them, were presented to the Board at its meeting of October 16th and 17th. Unfortunately, I was unable, because of an intestinal operation, to present them in person. Mr. Thompson, however, appeared before the Board and explained his own comprehensive report. No steps were, however, taken to implement any of the recommendations at that time.

No steps were taken then and no important steps have been taken since. Some passing consideration was given to Mr. Thompson's report at the November 17 meeting of the Finance Committee. At the January meeting of the Board I urged, in a written statement read in camera by the Chairman, that serious consideration be given and action undertaken at that time. Indeed, I informed the Board that my position on it would be rendered untenable unless this were done. I was urged by yourself, Mr. Nathanson and other members of the Board to be patient; that the next meeting would undoubtedly give the matter due consideration.

At the April 15-16 meeting, a committee consisting of the members of the Finance Committee plus myself was named to examine the reports and submit its recommendations to the following meeting of the Board.

As then arranged, and subsequently confirmed by letter, this committee was to meet in Montreal on July 6th and 7th. This meeting was successively postponed, but it was always, as I thought, clearly understood that the committee would meet prior to the assembling of the full Board.

*This observation is not intended to apply to the Assistant General Manager who has, in my opinion, done an admirable job under difficult conditions.

When I discovered, for reasons not divulged to me, that no time was arranged for it to meet prior to the August 19-20 meeting, I wired you outlining my understanding of the matter. I then proceeded to spend four days reviewing the reports and all the material relating to them, spending a day in Montreal with Mr. Thompson for the purpose of reviewing his own findings. On Saturday, August 17th, I received an answer to my telegram to you, assuring me that an effort would be made to carry out the understanding.

When the news committee met at two-thirty on Sunday, August 18th, Mr. Nathanson advised me that time would be arranged for an examination of the reports, first by the reorganization committee and afterwards by the Board as a whole. Then, for whatever reasons you wish to ascribe, nothing was done either by the reorganization committee or by the Board. Consequently, I explained my position to the Board and I am now taking what appears to me the only appropriate action remaining to me.

Despite the fact that the underlying defects which led to the surveys last July are still present and despite the need for speedy action revealed by the reports, I have been obliged to reach the conclusion that neither the Finance Committee nor the Board has any real desire or intention of dealing with these problems.

Action Prejudicial to Recommendations Taken

On the contrary, the Finance Committee at its meeting on November 17th initiated steps which indefinitely delay and gravely prejudice one of the essential recommendations both of Mr. Thompson's report and of my own. I refer to our proposal that the national headquarters departments, presently scattered between Ottawa, Toronto and Montreal, be centralized in Montreal. This proposal did not, of course, envisage the transfer of the legal head office which under the Broadcasting Act must remain at Ottawa. It did urge in the strongest possible terms that headquarters departments be centralized and consolidated in one place.

This was urged on the obvious grounds of efficiency. A public Corporation of this magnitude cannot achieve the degree of co-ordination essential to effective operation on any other basis. This is particularly true of a business like broadcasting, where the various national headquarters, departments-programs, engineering, financial control, commercial, station relations, press and information, traffic, etc., etc.—are very closely related and where immediate consultation and quick decisions are so often essential.

There must, of course, be a considerable degree of decentralization in a country like Canada, but this can be admirably handled by the five regional organizations, with present headquarters at Toronto, Montreal, Halifax, Winnipeg and Vancouver.

Furthermore, as was strongly stressed in the reports, the Corporation cannot, on this divided basis, possibly give its best service in the war period. It is, indeed, in danger of internal breakdown if too great a load is imposed upon it.

Although this was demonstrably a most important single recommendation and one on which a number of other important recommendations hinged, the Finance Committee, at its November meeting, apparently did not even consider the advisability of moving to Montreal certain of the headquarters departments which several years ago had provisionally been moved to Toronto from Ottawa. A considerable measure of centralization and a greatly increased degree of co-ordination could thus have been achieved. The leases on the premises at Hayter and Church streets, where these departments were housed, had expired or were about to expire. These departments could readily have been moved to new space in Montreal.

This would not, of course, have effected Toronto as the headquarters of the Ontario regional organization and as, necessarily, the principal English-speaking production centre. In addition, for example, an important branch of the Com-

mercial Department would have to be maintained there. Actually, the Corporation some time ago purchased a large property on Yonge Street for the purpose, when finances permit, of housing the regional staff and production facilities presently located at Davenport Road and such other activities as need to be located in Toronto.

What was involved was simply the moving of the national program, press and information, traffic, commercial and station relations departments. This could have been accomplished with as little dislocation as was contingent upon moving these same departments from Ottawa to Toronto several years ago.

The Finance Committee, however, at its November meeting chose to disregard the recommendations in this respect and to instruct the management to seek new space in Toronto. At the January meeting of the Board this matter was apparently not discussed, the minutes of the November meeting not being confirmed until the April meeting of the Board.

As I mentioned above, I requested the January meeting to consider the reports and to go on record as either accepting them in principle or of rejecting them, details, of course, to be subject to discussion and modification. Previous to the meeting I had written at length to various members of the Board outlining the need for action and indicting my reasons for making this request.

At the March 12th meeting of the Finance Committee, further steps were taken to arrange for space in Toronto without, apparently, any reference whatever to the recommendations.

Previous to the April meeting I discussed this matter with you and I was happy to find that you were in substantial agreement with my views on the matter. It was even then not too late for the Board to have taken an appropriate decision. I raised the matter at the Board Meeting in the most emphatic way I could. No reasons which appeared to me valid were elicited to show why this essential step to increase the efficiency of the national broadcasting organization in a time of grave crisis could not be taken.

At that meeting, however, the action hitherto initiated by the Finance Committee was allowed to proceed. The result, in my opinion, will be the freezing, for an indefinite period of time, of an untenable and inefficient type of organization.

2. DEFECTS PRECLUDE PROPER FUNCTIONING IN WAR PERIOD

Because these and other serious problems are not being faced, the Corporation in my view is fast losing what sense of purpose and direction it once possessed. A sense of frustration is, it appears to me, evident throughout the organization, which is characterized by a lack of creative and imaginative ability.

Obviously, in these circumstances, the C.B.C. is not equipped to play the part it should be playing in the war emergency. Indeed, it is my considered opinion, as it is also Mr. Thompson's, that organizational defects are increasingly hampering effective operation. The C.B.C., whose national network now has the physical facilities to reach the vast majority of Canadians, should be acting as a unifying agency par excellence.

Instead, it is giving no coherent leadership and is not maintaining its audience. It is obviously of supreme importance to Canada that it should do so, not only in the war period, but for the difficult days that are bound to follow.

3. DEVELOPMENT AS INTENDED BY PARLIAMENT PREJUDICED

Furthermore, it is my firm belief that without a chief executive and a Board willing to face up to the demands of the situation, the C.B.C. will not survive or develop as the sort of national institution envisaged by Parliament.

Original Conception

The conception which the Board first set out to fulfil in November 1936—essentially that of the Aird report—was of a nationally-owned and controlled network of stations from coast to coast. It involved a program policy which, in addition to relaying the best United States, British and foreign programs, would create and transmit programs of a distinctive Canadian character and thus act as a unifying agency of enormous potential value.

Progress in First Three Years

In the first three years of its operations the Corporation did indeed go very far toward the fulfilment of this conception. A satisfactory dividing line between the legitimate spheres of privately-owned stations and of the public system was established, private stations being restricted to a local function with a maximum power of 1,000 watts, the publicly-owned system ultimately to own and control all stations of a power in excess of 1,000 watts.

This was and is an essential line of demarcation if a properly organized national system is eventually to emerge. High power regional stations for the Prairies, Ontario, Quebec and Maritime regions were established in addition to the British Columbia regional station already in existence.

In other words, the framework on the physical side has been created, though there are still, of course, many big gaps to be filled, for example, in British Columbia, Northern Ontario, Windsor, the Rouyn-Val D'Or region, Chicoutimi, and certain French-speaking communities in the Maritimes.

Some Problems Which Emerged

(i) Corporation should handle distribution of all U.S. network programs.

Over the present network comprising some forty CBC-owned and privately-owned stations are broadcast, except in Montreal and Toronto, the programs of the three American chains—NBC, Columbia, and Mutual. In other words, over the whole network, except in Montreal and Toronto, the CBC acts as the exclusive agency for all U.S. network programs. Subject to the exceptions mentioned this is, of course, entirely in keeping with the original conception and program policy.

In the Toronto and Montreal areas, however, the position is anomalous, the Corporation acting as agency for only two of the U.S. chains, the programs, of the third being broadcast by privately-owned affiliates of the chain in question.

This situation is inconsistent and unsatisfactory. Sooner or later the Corporation will be obliged to make the practice in the Montreal and Toronto areas consistent with the policy followed for the rest of the national network. This may, of course, involve the establishment of additional facilities in these two metropolitan areas.

(ii) Corporation must maintain de facto control of networks.

Another problem which has resulted from the implementation of the Broadcasting Act is the question of alternative network facilities. The extension of national network broadcasting from six to twelve and then to sixteen hours per day has resulted in a great development of the demand for network facilities.

As the national network authority, the Corporation's policy thus far has been to control this growing volume of commercial offerings in such a way as to protect the national network and so far as possible to provide the listener with contrasting alternative programs.

The desire of certain private broadcasters, however, is to bring about the establishment of a private network, which would compete directly with the national network and which would, they doubtless hope, ultimately undermine it. Even though such a proposition runs demonstrably counter to the national interest, I suggest that the danger from these quarters is still very considerable.

To meet an increasing demand for network facilities the Corporation may be obliged itself to arrange an alternative facilities' hook-up. If this does become advisable, it appears to me of paramount importance that the key stations of such a network, necessarily situated in Toronto and Montreal, should be owned by the Corporation and that these alternative facilities be strictly under the Corporation's day-to-day control and direction.

Only in this way can the national network be properly safe-guarded and at the same time the Canadian listener provided with the maximum in the way of contrasting network programs.

(iii) Facsimile and Television should not be alienated to private interests.

With respect to the Corporation's policy to date of reserving to itself the development of facsimile and television, I need hardly say that I think it essential in the national interest that these policies be continued. A similar safe-guard should also be maintained with respect to Frequency Modulation, the most important immediate development and one which appears likely to revolutionize local broadcasting. It appears obvious that these new media of communication, of such unpredictable importance, should remain under the aegis of the Corporation as the trustee of the national interest in such matters.

(iv) High power short wave facilities essential.

I hope the Board will continue to press for a high power short wave station. I believe we have done our utmost to persuade the Government of the need for such a station. Our proposals were emphatically endorsed by the Parliamentary Committees of 1938 and 1939. It does seem extraordinary that Canada alone of the great trading nations of the world is without an international voice on the air. In the present emergency the great value to our case of such facilities surely does not require demonstration.

Fear Corporation Losing Sight of Original Conception

For what it is worth, I have tried to summarize what was our original conception and some of the problems resulting from the progressive implementation of that conception. That the Board's conception corresponded to that of Parliament and that its policies were well calculated to fulfil it was emphatically confirmed by the reports of the Parliamentary Committees of 1938 and 1939. I fear, however, that latterly the Board has been losing sight of these primary purposes. I will mention several examples.

(a) Re party broadcasting during an election.

As a result of the recommendations of the Parliamentary Committee of 1939, the Board approved, and published on July 8th, a pamphlet entitled "Statement of Policy with respect to Controversial Broadcasting" which set out the Board's considered policies in the related fields of political and controversial broadcasting both on networks and on individual stations. The arrangements therein set out, for the division, on a free basis, of all national network political broadcasting within an election period, had previously been discussed and agreed by the various national political parties concerned.

Nevertheless, the Board did not hesitate at its January meeting, apparently without much consideration, to upset these carefully worked out arrangements and substitute therefor an untenable compromise scheme. When the party representatives met to consider the new proposal they unanimously demanded a return to the arrangements published on July 8th and the Board was obliged, by telegraphic reference, to return to this policy. I was not able to attend the January meeting but you will recollect that in a letter to the Board I indicated very strongly that I saw no reason for departing from the scheme outlined on July 8th.

(b) Re party broadcasting between elections.

Another matter which I find it difficult to understand is the Board's decision, also at the January meeting, to cancel the arrangements outlined in the July 8th pamphlet for party political broadcasting between elections. These arrangements were also carefully thought out and were in accordance with the recommendations of the Parliamentary Committee of 1939. I fear that the implications of this decision were given quite insufficient consideration at the January meeting.

I quite recognize that in war-time steps must be taken which in peace-time would be regarded as a breach of ordinary democratic rights. When I brought up the matter at the April meeting no arguments were induced which appeared to me conclusive. My point in mentioning this now is that I do not think democratic rights should be thrown away, even in war-time, without apparent necessity. In the present regard I am yet to be convinced that sufficient safeguards do not exist, in the censorship regulations, in the regulation which prohibits political broadcasts from open meetings, and in section 39 of The Defence of Canada Regulations.

(c) Attitude to certain private stations on network.

If I may say so also, it appears to me that the Board's attitude to certain of the privately-owned stations on its network has rendered the network much less effective than it should be. When the Corporation established, at great cost, its own high power and other stations, there was obviously no longer any reason to retain on the basic network a considerable number of private stations actually within the good service range of our own stations. The result is that a listening audience for our own stations, especially in the Prairies region, is not being built up. The net result of continuing this absurd anomaly so long, as far as I can see, is to maintain the profits of these stations at the expense of the proper development of the C.B.C.

(d) Re news broadcasting.

Another matter which has caused me real misgivings is the way in which the admittedly difficult question of news broadcasting has been handled. A special meeting of the Board was called on June 1st to consider this matter and another special meeting met on June 27th. After the most exhaustive discussion, it was agreed that, in the national interest in the present emergency, a comprehensive news service should be established by the C.B.C. and made available to stations across Canada.

The Board recognized clearly enough the importance of a sober, authentic and comprehensive news service which all Canadians could rely upon in these trying times and which would, consequently, act as an important unifying force.

Then the news committee, of which I was a member, held several meetings with the private broadcasters and associated interests. These interests showed themselves unwilling to make any concessions whatever to further the Board's basic purpose. What I regret is that the news committee and the Board at its recent meeting well-nigh lost sight of the original purpose in its desire to meet the selfish views of the private stations.

I believe that the arrangement finally arrived at is better than nothing. What I do feel very strongly, however, is that the Board should take a much firmer attitude in defining the public interest in a matter such as this.

I do not mean that all sides should not be heard or that arbitrary decisions should be taken. I do mean that the Board should refuse to allow the public interest to be compromised because of the demands, however vociferous, of private interests.

Loss of Board's Prestige

The fact is, much as I regret having to say it, that the Board has, because of its vacillating attitude, already lost a good deal of prestige. The attitude of the representatives of the above-mentioned private interests at the last meeting illustrates only too well what I mean. Their attitude was a mixture of arrogance and studied contempt. It is a serious matter for an authority duly established by Parliament to fulfil a certain national purpose to be treated in this way. I shall have the liveliest fears for the future of this institution if such a result is permitted to continue.

4. RESIGNING TO EMPHASIZE NEED OF DECISIVE ACTION

Needless to say, I deeply regret the circumstances which have resulted in my withdrawing from the Board at this time. As you know, my interest in this enterprise is deep and of long standing. Indeed, I have spent a number of my best years in helping to bring about its establishment. On behalf of the body of organizations, and individuals supporting the Canadian Radio League, I made representations to the Special Parliamentary Committees of 1932, 1934 and 1936. The present Act embodies many of the recommendations made to the Parliamentary Committee of 1936. The Act stands, I think, as a workable framework, providing as it does for an independent and non-partisan direction of policy, business management, and the ultimate control of Parliament.

I was honoured by being appointed as a member of the first Board, on November 2, 1936, and by being reappointed for a further period. During that time I have given a great deal of time and thought to the establishment of this new national enterprise. As you know, I have served as Chairman of the Board's committee on applications from the beginning, and as a member of many other committees from time to time.

At the Board's unanimous request, I spent over two months making the survey of all aspects of our organization. Generally speaking I have, I think, given my best energies to the establishment of what could be, as the Hon. R. B. Bennett once put it, "a most effective instrument in nation building".

I hope you will understand that it is because of my interest in the Corporation's success that I feel obliged to take the present action.

I hope you will appreciate also that what I have said and done is in no way intended to reflect adversely on any of my colleagues as individuals. I regard them, as you know, as unusually disinterested Canadians. Furthermore, one could scarcely be associated with them for so long a period without entertaining for them a feeling of warmth and affection. This, if you will permit me to say so, is especially true of yourself. I consider it a great privilege to have been able to work with you as with the other members of the Board. I sincerely hope that what I feel obliged to do will in no way militate against a friendship which I greatly value.

With kind regards,

Yours sincerely,

(Sgd.) ALAN B. PLAUNT.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

TUESDAY, MAY 26, 1942

WITNESS:

Mr. René Morin, Chairman of the Board of Governors,
Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

Room 429

TUESDAY, May 26, 1942.

The Special Committee on Radio Broadcasting met at 10.30 a.m., Dr. McCann, the Chairman, presiding.

Members present: Mrs. Casselman (*Edmonton-East*), Messrs. Claxton, Coldwell, Graydon, Hanson (*Skeena*), Hansell, Isnor, Laflamme, McCann, Mullins, Rennie, Ross (*St. Paul*), Telford, Thorson and Tripp—15.

In attendance:

From the *Canadian Broadcasting Corporation*: Major W. E. Gladstone Murray, Dr. Augustin Frigon, Messrs. E. L. Bushnell, J. R. Radford, W. O. Findlay, Donald Manson, W. H. Brodie, Miss V. B. Belcourt and Mr. E. H. Charleson.

From the *Department of National War Services*: Justice T. C. Davis.

From the *Department of Transport*: Messrs. W. A. Rush, Controller of Radio, W. A. Caton and W. J. Bain.

Mr. René Morin was recalled and his examination continued.

Mr. Coldwell read the letter of resignation of D. W. Buchanan, Esq., addressed to the General Manager on November 23, 1940.

The Committee further examined the witness on the duties and powers of both the General Manager and the Assistant General Manager and on the Thompson and Plaunt reports.

Mr. Claxton read a letter from Alan B. Plaunt, dated January 20, 1940, to Mr. Morin, then Vice-Chairman of the Corporation. He also read Mr. Morin's reply as well as Mr. Plaunt's answer to the latter.

Mr. Morin quoted a letter addressed to him as Chairman of the Finance Committee by the General Manager on November 17, 1939, together with a memorandum respecting the duties and responsibilities assigned to the Assistant General Manager.

The witness was again questioned on the policy of the Canadian Broadcasting Corporation concerning controversial and political broadcasts.

Programs were also briefly discussed.

The Witness was retired subject to recall.

The Committee agreed to call Major W. E. Gladstone Murray, the General Manager, at the next sitting.

At 1.05 o'clock, the Committee adjourned until Thursday, May 28, at 10.30 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 429,

May 26, 1942.

The Select Committee on Radio Broadcasting met this day at 10.30 o'clock a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. We have a quorum, ladies and gentlemen, and we shall proceed.

Mr. COLDWELL: If you are going to open the meeting, may I follow with a question or two that I want to ask following the questions I asked last week?

Mr. HANSELL: If you would not mind, I have a matter I should like to mention before you begin.

Mr. COLDWELL: Very well.

Mr. HANSELL: Mr. Chairman, there are three members of this committee who are also members of the Defence of Canada Regulations committee. Both these committees are meeting this morning. I wonder if we might not appeal to you or to the secretary to try to stagger the meetings a bit. Could not one of them meet in the afternoon so that we can attend these committees?

The CHAIRMAN: We have made an attempt, Mr. Hansell, to do that very thing. On some occasions there have been as many as six or eight meetings in the morning. The members are all disposed to try to have the meetings over in the morning. Therefore, one has to make a choice as between which meetings he will attend. It is impossible to be at all of them. I myself am on a couple of important committees and have to forego the opportunity of being there in order to attend this one. However, we shall take your suggestion into consideration, and if it is possible we shall try to see if we can carry it out and try a different time.

Mr. Rene MORIN, recalled.

By Mr. Coldwell:

Q. I was just going to say that there are two or three questions I would like to follow up with. Last Wednesday, May 20, I asked the following question in reference to the change in the by-laws and the change in the status of the general manager: "I am going to ask you this direct question. Was this"—that is, the change in the by-laws and so on—"the result of lack of confidence in the manager?" After a long pause which, I think, struck us all, you replied: "I might say perhaps lack of confidence in his business ability in financial matters." I am now going to ask you this question: Were you present at the meeting of the Board of Governors held in Ottawa on or about November 25, 1940?—A. Yes. I must have been present, although I did miss one meeting.

Q. Do you recollect what members of the board were present on that occasion?—A. No.

Q. You have the minutes there. Perhaps you could see from them.—A. Mr. Nathanson, Mrs. McClung, Cannon Fuller, Dean Pouliot, J. W. Godfrey, Dr. James S. Thomson.

Q. Following that meeting, a statement was issued to the press. It appeared in the *Ottawa Journal* and was reported thus:—

The following resolutions were passed at Tuesday's meeting of the Board of Governors of the C. B. C.:—

"That the board regretfully notes the retirement of Alan B. Plaunt and feels impelled to deplore the publicity given in the press on the retirement concerning matters which it believes are those of internal policy solely for consideration by the board as a whole.

That in view of the publicity and critical reference made concerning the executive management, all members of the board to-day assembled declare their full and complete confidence in the general manager, Gladstone Murray, and the assistant general manager, Dr. Augustin Frigon, believing moreover that this opportunity should be taken to express the board's appreciation and gratitude for the distinguished service they have rendered the corporation over this trying period.

Our national broadcasting system under their direction has reached a high level of public service and in this war, with its distractions and upheavals, has been a powerful factor for the promotion of national unity at home, and goodwill and understanding abroad."

What prompted that resolution?—A. Probably the publication of the letter of resignation by Mr. Plaunt.

Q. That was the only reason, Mr. Morin?—A. So far as I can remember.

Q. I am going to put this to you. Was it on account of the fact that uneasiness regarding the corporation had been expressed in the House of Commons on November 12, in the *Winnipeg Free Press* and in the *Toronto Saturday Night* and other papers? On November 12, 1940, I had made some reference to the C. B. C. in the House of Commons and I commented thus: "This country cannot afford the luxury of incompetence or unreliability in the management of one of our most important war and post-war instruments." I asked for a committee to investigate and said that the Minister of Munitions and Supply should be relieved of the supervision of the C. B. C. because he was obviously much too busy to undertake the task. Mr. Plaunt commented on the resolution, and this is what Mr. Plaunt said. Again I am reading from the *Ottawa Journal* of November 27, 1940. The heading is:—

PLAUNT READY TO AIR CHARGES AGAINST BROADCASTING CORPORATION

The subheading is:—

OTTAWA MAN ACCUSES GOVERNORS OF CONDONING SERIOUS CONDITIONS
ASSERTS FACTS NOT FACED.

The article reads:—

Mr. Plaunt's statement said that by declaring full and complete confidence in Mr. Murray, the Board of Governors of the C. B. C. is apparently still unwilling to face the demonstrable facts which led me to resign on August 30 last:—

By failing to do so they are, in effect, condoning very serious internal conditions and irregularities as well as certain policies which are indefensibly partisan and harmful.

The board's statement is, of course, an attempt to whitewash the whole matter. The board has, however, thus gone on record as accepting full responsibility for present deficiencies and for future results, and I am accordingly obliged to leave the matter in their hands. I can only repeat that I remain prepared fully to substantiate the grounds for my resignation before a parliamentary committee;

I also wish to emphasize that my critical references to the corporation's executive direction were in no sense intended to include the assistant general manager, Dr. Augustin Frigon, as the Board of Governors well knows.

On the same day it was announced that Donald W. Buchanan had resigned. I have just forgotten what his position was with the corporation, but he is a man of some standing in the community. He is the son of Senator Buchanan and has a very high reputation generally in the community. In the brief statement which he made to the press he said this.

Mr. GRAYDON: What date was that?

Mr. COLDWELL: November 27, 1940. His statement was:—

“ ‘A lack of organization and clear definition of policies relating to wartime needs’ was the explanation which Mr. Buchanan gave late on Tuesday evening of his action. He planned to make a fuller statement to-day.”

I do not recollect that he made a fuller statement.

By Mr. Coldwell:

Q. Did you see Mr. Plaunt's comments on the board's resolution?—A. If they were published in the press, I must have seen them.

Q. Have you Mr. Buchanan's letter of resignation?—A. I have a copy of it before me.

Q. Could we have that placed on the record?—A. There is no objection.

The CHAIRMAN: I think you ought to read it.

Mr. COLDWELL: Perhaps it had better be read.

The CHAIRMAN: It is somewhat lengthy, but it had better be read.

Mr. COLDWELL: I think perhaps it had better be read so that we will get to know what the contents are.

The WITNESS:

November 23, 1940.

Dear Mr. MURRAY,—In January, 1937, I was invited to join the staff of the Canadian Broadcasting Corporation, my task to initiate a structure of talks programs on the network. This was a welcome opportunity. During the previous year or two, I had become conversant with the work of the Radio League and with that reconstruction of national broadcasting in Canada which it sought to promote. As Director of Talks my work proved at first both stimulating and encouraging. Although there was still no general reorganization of staff, a few youthful persons of broad vision were being brought into the service of the Corporation, and men like Ernest Bushnell, the Supervisor of Programs, who had been with the former Commission, were showing that they had a perception of the wider tasks ahead. In broadcast talks, there was to be originality of expression; there was to be a search too, for the best speakers, those who knew certain subjects well, who presented attributes of good speech and personality, for those also who were characters, who had their own distinctive approach to the stuff of Canadian life. In the realm of public opinion, there was to be a free and balanced discussion of social, political and economic questions of national interest. Controversial subjects were to be tackled fairly. I was encouraged here by Mr. Bushnell to turn down the mediocre out of hand and to resist the demands of groups and of individuals, who for special or for limited reasons of their own, sought to obtain free program time. This courageous policy unfortunately has not been continued. Yet certainly as late as the spring of 1939, talks and

discussions were still being planned according to this creative pattern and they were attracting a wide audience of listeners. They were being scheduled, too, in series at fixed times during the week so that listeners could readily remember and follow those items which pleased them most.

In July, 1939, I became supervisor of Public Affairs Broadcasts and I have since been no longer responsible for general talks programs. From that summer onwards a new period of experimentation seems to have ensued. General talks have less often been scheduled in series; there has been a tendency instead to present many miscellaneous speakers on miscellaneous topics. I know that added flexibility is necessary in war time, that emergency broadcasts necessitate rapid changes in scheduling. But deterioration in quality is inexcusable. Some of the trouble here relates to unilateral decisions made by you about the scheduling of special talks. Certainly from my experience, I feel that there has been recently too much yielding to pressure, from outside groups and individuals. The presentation to the program department of such projects, to which you have committed the Corporation in advance, is a practice which hinders greatly our creative initiative.

Since July, 1939, my new duties as Supervisor of Public Affairs Broadcasts have been specifically to supervise broadcasts on controversial topics, to arrange commentaries on current affairs, to act in liaison with those government departments which at times had programs they wished to sponsor. The Board of Governors on July 8, 1939, had published a comprehensive statement of policy on controversial broadcasting. It was felt that I should work directly in association, not only with the Supervisor of Programs, but also with you, in the handling of the practical aspects of this policy. I consequently remained stationed at head office in Ottawa. After more than a year of labour at this special task, I now find that I shall have to offer my resignation. May I cite the reasons?

Your illiberal attitude towards broadcasting in war time has been disturbing. You have, in the last year or so, allowed many serious deviations from the established policy of the Corporation on controversial broadcasting. These deviations have not been made public. Some of them may have been justified by wartime conditions; I should have felt better, however, if they had been announced and made generally known. Others certainly have tended to exceed by far any reasonable limitations suggested by wartime requirements.

The statement of policy, as issued by the Board of Governors in July, 1939, had concluded with this remark:—

Far from being a restraint on free speech, the Corporation's policy is, therefore, believed to be an assurance that liberty of discussion is preserved and that all main points of view are fairly presented. The air belongs to the people, and the constant aim of the C.B.C. is to have the principal points of view on questions of importance heard by the people as a whole.

This no longer holds true. Those "National Forums", which were previously so popular, have now been discontinued.

Liberal principles have been seriously disregarded in other ways. For example, the Prime Minister at the end of October, 1939, was asked by the C.B.C. to deliver an address on war aims and war policies. This was coupled with an invitation to the leader of the Conservative Party, Hon. Dr. Manion, to give a broadcast on the same topic. Dr. Manion spoke on November 13, 1939. Shortly afterwards the national headquarters of the Co-operative Commonwealth Federation approached you and

requested that similar facilities be extended to the leader of the C.C.F. or to some prominent representative of that group. This request was refused.

During the last year, I have also viewed with concern the lack of any specific presentation by you to the program department of any well-defined policies on wartime broadcasts. By this, I mean general policies as authorized by the Board of Governors. One can only therefore assume that you have never asked the Board to define or establish such policies. For example, you arranged last autumn and winter one or two programs on war aims and war objectives. Such a one was the series of talks by George McCullagh, the proprietor of the *Globe and Mail* of Toronto. His talks apparently were not related to any wartime policy of the Board of Governors, for his series was scheduled during an interval last year when the board did not meet at all.

Lacking such definitions of public policy, the program department has been left without accurate direction. Instead mere caprice has often ruled. There has been no plan. Take the question of broadcasts sponsored by the Dominion Government. Early in the course of the war the Board of Governors should have been asked to determine, in consultation with the cabinet, the exact demarcation and amount of informational broadcasting to be arranged by government departments. This was not done. As a result much confusion and overlapping between these government broadcasts and the C.B.C.'s own programs on similar subjects has occurred.

As the program department was thus left by you without any clear definition of various wartime objectives, only one course remained open to its responsible members. That was for us to follow the official statements of the dominion cabinet on war policies in order to make certain that any broadcasts which we were preparing on these themes might at least adhere in substance to what was declared national policy. But here I came into conflict with you. Let me recall the series of incidents connected with the series 'Over the Top,' which began in the late spring of 1940. In this series, which was arranged by you, anonymous speakers voiced sentiments regarding freedom of the subject, the danger of espionage and the thread of "fifth column" activities. I refer in particular to two of these broadcasts which contained ill-timed expressions of fear about the menace of the foreign born in our midst and cries of panic about subversive movements. One was from Quebec city by a gentleman anonymously entitled 'Legionnaire' and the other by an anonymous professor speaking from Montreal. This series was clearly opposed to declared national policy. The government had previous to this time indicated in public statements that there was not need for such alarm and that it did not want useless panic to be spread throughout the nation by self-appointed vigilantes. As a result, shortly after we began this series, we were asked peremptorily by the government to remove it. You will remember that I did voice objections to you about this series before it was scheduled, and that you then indicated that you would read and pass upon the manuscripts yourself.

You must have realized then that I felt strongly that you were pursuing an unwise course, one that I considered created cleavage between the policy of the Dominion Government and the policy of the broadcasting authority, for shortly afterwards you proposed, not to me directly, but through the then acting Supervisor of Programs, George Taggart, that my duties in public affairs broadcasts could best be handled from Winnipeg. This was such an obvious subterfuge, one designed to keep me from continuing to undertake the functions assigned to me by the program department, that of liaison with government departments and

with the newly established Office of Public Information, that I told Mr. Taggart I should have to resign as there were few broadcasts for me to handle in this field from Winnipeg. I heard no more of this proposal at that time. Yet there have been various vague references to it since, and I have been left without any clear indication from you as to my future status.

More recently now that the Office of Public Information has been presenting projects for informational broadcasting to the C.B.C. and now that we are co-operating with them in producing such programs, I had thought that you would retire from continued personal action in this field. Yet only a few months ago, you ordered the scheduling of R. B. Farrell, a journalist of Ottawa, in a renewal of the series, 'Between Ourselves', which he had given last season. Previously about a year ago in September, 1939, the program department, from a purely broadcasting point of view had reported to you, following a meeting in the office of the Supervisor of Programs in Toronto, that it was 'the unanimous decision of the program board that there was no merit whatsoever in Mr. Farrell's talks.' It was felt that this series by Farrell should be cancelled so that more pertinent material by more competent and authoritative speakers could be substituted. You refused and when this request was later renewed you again refused, this time on the grounds of public policy. You stated that this series was designed to improve public morale in time of war, that it was presented in the national interest, and hence could not be cancelled on mere grounds of quality of production. You, however, have never given any evidence at any time that this series was referred to the Board of Governors as to definition of policy.

This incident illustrates how unilateral action by you about series tends to confuse the program department and to hamper the initiative of its responsible officers. For these reasons and for others which I have already mentioned, I feel that the program department of the C.B.C. is failing and has failed to plan and present effective wartime broadcasts that could help to unify Canadian opinion. To be sure, there have been some good broadcasts which the C.B.C. has relayed from Great Britain to this country, and we have some of our own employees at work in England, but as far as Canadian programs go, that is, series originated in this dominion, I maintain that we ourselves have done little of importance. There have been some successful series, like 'Let's Face the Facts,' but these have been arranged by the Office of Public Information, not by us.

I think this brief summary indicates clearly enough why, as supervisor of public affairs broadcasts, I have been fundamentally in disagreement with your course of action during war time. I am therefore submitting my resignation and as the reasons I have given are related both to public policy and the Board of Governors, I feel accordingly justified in sending a copy of this letter to the chairman, Mr. Rene Morin, for his information.

Yours faithfully,

(Sgd.) D. W. BUCHANAN"

W. E. Gladstone Murray, Esq.,
General Manager,
Canadian Broadcasting Corporation.

By Mr. Coldwell:

Q. That deals with matters that we can probably best take up with the general manager?—A. Yes. It seems so to me.

Q. Following the meeting to which I have referred on November 26, 1940, you wrote a letter to Mr. Howe—and the letter is printed in our record at page 50

—in which you explained that certain changes were contemplated in the management, and you said this: "The activities of the corporation are varied and instead of centring them on one head, it is believed that better results may be obtained by dividing the work between the general manager and the assistant general manager, although the latter must, of course, report to the former." I noticed in the evidence the other day that the assistant general manager reported to the finance committee and not to the general manager, although you said that he might discuss any policies with him. So I conclude that subsequently some other change was made. Then at the same time the resolution expressing entire confidence in the general manager was given to the public. I want to ask you if between the November meeting and the meeting in the following March, there were any other meetings of the Board of Governors.

Mr. ISNOR: Just in order that we may understand the situation in regard to the dates, I wonder if Mr. Coldwell would tell us about them again. The letter written by Mr. Morin was dated November 26, 1940, was it?

Mr. COLDWELL: That is right.

Mr. ISNOR: And the statement to the press was issued when?

Mr. COLDWELL: On November 26, I think. I have it right here.

Mr. ISNOR: Or was it earlier?

Mr. COLDWELL: November 27 was the date of the paper. It is November 27, 1940.

The WITNESS: The sixteenth meeting of the board took place on November 26, 1940, and the following meeting was 24th March, 1941.

By Mr. Coldwell:

Q. So that between November and March there were no other meetings of the Board of Governors?—A. I am inquiring whether there has not been a meeting of the finance committee. Yes, we had a meeting of the finance committee on the 30th of January, 1941.

Q. You have the minutes of the finance committee, have you?—A. There was another meeting of the finance committee on the 8th of March, 1941, and a third one on the 23rd of March, just before the end of the year.

Q. So there had been no meeting of the Board of Governors between then?—A. No.

Q. What had happened in the meantime to cause you to change the by-laws so that the powers might be divided as they were—recollecting, of course, that on November 26 the board expressed its complete confidence in the general manager, and then, according to your own statement made last Wednesday, the division of powers took place and the by-laws were changed to provide or that on the 24th of March because, as you said, there was perhaps a lack of confidence in his business ability in financial matters. Now, what had happened in the meantime?—A. Well, we had the investigation made by Mr. Thompson and Mr. Plaunt. We had their report. We found out that the business of the corporation had grown tremendously; that it was beyond the power of one single individual to supervise or to have control of all the different and varied operations of the corporation; that the administration would be considerably improved if the general manager concentrated his activities on certain particular matters, and if other matters like technical engineering, commercial relations and financial matters were placed under the jurisdiction of the assistant general manager. We decided to pass a by-law to that effect. In all institutions or in most large institutions you have this organization: the board of directors, an executive committee, a general manager, and at the same time other officers also who are charged or who are entrusted with the task of supervising certain different departments and who may report directly to the board. But yet it never entered into our minds to deprive the general

manager of his authority as chief executive, and I do not believe that the effect of this change did deprive him of his authority. It is a delegation of power to the assistant general manager which was made with his approval, and it may even be that it was made at his suggestion. He did not object to it. Whenever the assistant general manager takes a decision on matters which fall under his jurisdiction, even if it is in the regular course of business, he may confer with the general manager and have his approval. So that both of them, when they report to the board, have made reports which had the approval of both officers. There never appeared to be any difference of opinion between them in their reports to the Board of Governors.

Q. So that I might conclude that nothing happened between the November meeting and the March meeting to cause you to lose any confidence in the general manager?—A. I am not aware of any particular incident which might have justified that statement.

Q. You are not aware of any particular incident?—A. No.

Q. So that conditions in November were precisely as they were in March, as far as that goes?—A. Yes.

Q. Then why would you say that it was because of lack of confidence in his business ability in financial matters that this was done in March? How do you justify that in November, if the condition was exactly the same, the board issued a statement saying they had full and complete confidence in the general manager?—A. Even if we found that he did not possess the special aptitude necessary for exercising the proper control in financial matters, there is nothing that occurred to justify lack of confidence in him as chief executive.

Q. So that really the change in the by-laws was to some extent due to the report of Thompson and Plaunt?—A. To a large extent.

Q. To a large extent?—A. Yes. When we asked Mr. Thompson and Mr. Plaunt to make a report, we wanted to get information on the internal management of the corporation. This report which we had led us to the conclusion that the administration of the whole corporation would be improved by the appointment of an executive committee and certain distribution of power between the general manager and the assistant general manager.

Q. In his letter to Mr. Howe on August 30, 1940, Mr. Plaunt said this: "My reasons for resigning at this time have been explained at length to the chairman, Mr. Morin."—A. Yes.

Q. You also told us last week that Mr. Plaunt had discussed his reasons from time to time with members of the board including yourself. What were those reasons that he discussed? What were the reasons that he discussed with you?—A. The reasons for his resignation?

Q. Yes.—A. Well, I do not believe I said that he discussed the reasons for the resignation with me.

Q. No?—A. Because the resignation came as a surprise to me.

Q. You say the resignation came as a surprise to you?—A. Yes.

Q. But he had discussed conditions within the corporation?—A. Certainly. We had discussions about the corporation quite often.

Q. Can you explain what he meant when he said on November 27 in the statement which he issued, "By failing to do so they are, in effect, condoning very serious internal conditions and irregularities"—the word used is "irregularities"—"as well as certain policies which are indefensibly partisan and harmful." Did he discuss certain irregularities with you in connection with the work of the corporation?—A. I do not believe that Mr. Plaunt spoke of any special irregularity as such. He was dissatisfied, in a general way, with the administration.

Q. If you do not remember, I will not press you on that point. We can probably get that from some other member of the board.—A. Yes.

Q. Or from the general manager himself when we go into the financial statements covering the last three or four years. I am going to put this very

blunt question to you, Mr. Morin. Do you think the board was fulfilling its public duty on November 26 when it passed the resolution of confidence in the general manager, and at the next meeting took from him certain powers, which action, as you told us, was the result of a lack of confidence in certain abilities of the general manager?—A. I do not see that the two positions are irreconcilable. For instance, I am manager of one company here, and one of the departments of our company is that of publicity. I may confess that I am not a good publicity man. Why should not my board of directors entrust the publicity to another individual than me?

Q. Who drafted the statement that was issued? Did the board draft it?—A. I suppose it did. Yes, I think so.

Q. The board drafted it?—A. Yes.

Q. That is, the secretary would probably do that?—A. Well, we certainly had a draft before us before it was adopted or approved.

Q. You had a draft before you?—A. Yes.

Q. Who presented the draft?—A. The draft was made at the request of the board itself. The board was not presented with a draft already made, but it decided to pass a resolution to that effect.

Q. Who was requested to make the draft?—A. Probably the secretary.

Q. The secretary made it?—A. The board did it.

Q. And the secretary is also executive assistant to the general manager?—A. Yes.

Q. In view of the facts that we have already elicited, do you not now think that Mr. Plaunt was justified in resigning in order to bring the condition within the corporation to a head?—A. I have always thought that Mr. Plaunt's resignation was not warranted, and that if he had not at that time been very ill, as he was—as subsequent facts have proved—he would never have resigned.

Q. Are you sure of that?—A. I am convinced of that.

Q. I do not think you are correct in that statement. That may be your conviction.—A. Yes.

Q. But it is not mine.—A. How can you explain this, if my statement is not correct, that Mr. Plaunt, in his letter of resignation, referred to the fact that the board had refrained from acting on a number of questions, and that Mr. Plaunt had attended a number of meetings of the board and at no meeting did he move that any of his suggestions be enacted by the board?

Q. Yes, but Mr. Plaunt was a thorough gentleman and he had been assured from time to time that his report would be discussed, and arrangements had been made for a prior discussion by the finance committee. Those things were not done. I knew Mr. Plaunt, and you knew him too; and I think probably that his general nature would be such—it was a gentle nature—that he would not care to do anything which he considered to be embarrassing. I just asked that question because I felt, particularly during the last few days, that Mr. Plaunt was justified; and I certainly think that the Board of Governors did not fulfil their public trust in connection with this affair in the publication of this statement and so on. Now I am going to ask you this question. In view of the reduction in the status of the general manager, was any adjustment made in salaries or expenses subsequent to the March 24 meeting?—A. The salaries have remained the same. They have not been touched. The entertainment allowance to the general manager was reduced, but I am not aware that the reduction came as a result of this action.

Q. The reduction was made in what?—A. In the entertainment allowance.

Q. And what was the reduction? From what amount to what amount?—A. From \$4,800 to \$3,000.

Q. Were any other expenses allowed after that time?—A. Oh, yes; travelling expenses outside of Ottawa.

Q. What is the rate of travelling expenses outside of Ottawa?—A. The general manager is allowed his actual expenditures on production of vouchers.

Q. Was that a change from the previous policy?—A. Yes.

Q. What was the previous policy?—A. He had for a time drawn \$20 a day for expenditures outside of Ottawa.

Q. In addition to the entertainment allowance?—A. Yes.

Q. I notice something about the balance sheet which may have no significance at all, but I want to ask a question in order to clarify it. In the statement which has just been presented, the financial statement and balance sheet, page 24, there is an auditor's certificate attached:—

I have examined the accounts of the Canadian Broadcasting Corporation for the fiscal year ending March 31, 1941, and have obtained all the information and explanations I have required. In my opinion, the above balance sheet is properly drawn up so as to exhibit a true and correct view of the state of the corporation's affairs as at March 31, 1941, according to the best of my information and the explanations given to me and as shown by the books of the corporation.

(Signed) WATSON SELLAR,

Auditor General.

The 1940 report and the 1939 report do not carry such a footnote. Is there any significance about that?—A. I am told that it was the first year that the Auditor General appended a certificate to his statement. Statements were audited by him but without supporting certificates.

Q. If that is so, that explains it. I was not sure whether there was any significance about it at all.

The CHAIRMAN: I would call the committee's attention to the fact that the financial statements for the years 1939 and 1940 have nobody's signature.

Mr. COLDWELL: They have nobody's signature at all. I noticed that.

The CHAIRMAN: They are not even audited or they are not signed by any officer of the board.

Mr. COLDWELL: I was going to ask about that too.

Mr. GRAYDON: Mr. Morin, I take it—

The CHAIRMAN: Are you through, Mr. Coldwell?

Mr. COLDWELL: I am for the present.

The CHAIRMAN: All right.

By Mr. Isnor:

Q. I was going to ask a question in connection with the statement attached. Is it not true, Mr. Morin, that the Auditor General has conducted a continuous audit year in and year out as provided in the act?—A. I think it is true. It is a fact.

Q. So that each month he would more or less okay the accounts as being correct. Is that so?—A. He has a permanent representative in the office of the C.B.C. and follows transactions practically from day to day.

By Mr. Graydon:

Q. Mr. Morin, I took it from your evidence given this morning that the action which was taken with respect to the division of power between the general manager and the assistant general manager at the meeting held in March, 1941, was largely based upon the recommendations, or had its foundation at least on the recommendations of the report of Messrs. Plaunt and Thompson?—A. Yes.

Q. That is true?—A. Yes.

Q. That being the case, does that not bring us back to the question which was raised before, and which I did not complete discussion of at the last meeting? What I refer to is the question of the delays in dealing with the Plaunt-Thompson report by the Board of Governors. You will recall that the Plaunt-Thompson report was in the hands of the Board of Governors in September of 1939—at least it was dated September, 1939, and was filed at the meeting, if I recall the evidence correctly, held on October 16 and 17, 1939. That was the date when the report came before the Board of Governors?—A. Yes. I do not believe any of the members of the board had seen those reports before the date of that meeting.

Q. All right. Let us take it that the Board of Governors knew nothing about the report until the meeting of October 16 and 17, 1939. In your evidence at a previous sitting I think you said that no discussion took place of any comprehensive character at the first meeting when the reports were first presented. That was in October, 1939. I have in mind the letter of resignation which was forwarded by Mr. Plaunt to yourself as chairman of the Board of Governors on August 30, 1940, and which I read to the committee at the conclusion of the last sitting of the committee, in which he refers in a special paragraph to "action successively deferred." We pass from October, 1939, until March, 1941. According to your evidence to-day, that was the time when the Board of Governors took action on the Plaunt report with respect to the major recommendation made in that report, which was in connection with the general managership. That is nearly seventeen months after the report had first come in to the Board of Governors. Now, Mr. Morin, I want to put this question to you. Was it not possible for the Board of Governors to have given earlier consideration to that report than was given to it?—A. Was it not possible? I cannot say that it was not possible. There is no doubt that the Board of Governors could have convened and studied that report on the day following its presentation or any time thereafter. But when we received the report, we took cognizance of it; we asked the general manager and the assistant general manager, who had not had communication of it so far, to read it, to study it and make their recommendations. In the meantime the members of the board decided that they would take it home with them to read it, to study it; and later there was a meeting of the finance committee and we took certain decisions which were in accordance with the recommendations made in the Thompson report. At that time in January Mr. Plaunt was still sick and did not attend the meeting, so we decided quite properly to wait until his return. Then came the April meeting. Mr. Plaunt attended the meeting but Mr. Plaunt was very ill. We had evening sittings which he did not attend, if I remember correctly—and I think it is right—because he did not feel well enough to attend an evening meeting. We discussed what we should do with his report and we agreed to appoint a special committee to spend a day or two days studying it and receiving his explanations. That committee was to meet as soon as possible after that April meeting, but Mr. Plaunt left for Bermuda where he spent a month or six weeks. Right after his return we decided that we would hold a meeting of this special committee named by the board on the 7th of July, 1940.

By Mr. Graydon:

Q. Was that the one that was to meet in Montreal?—A. I think so.

Q. On July 6 and 7?—A. Yes. Then at the last moment one of the members, I do not remember whether Mr. Nathanson or Mr. Godfrey, let us know that he could not attend. We then decided that we would meet on the day previous to the meeting of the board to be convened in August. But at that time unfortunately—Mr. Plaunt was there—we were taken up with the difficult problem of the news. We started discussing it and spent a whole day

on it. The following day the board met. We received delegations and so forth and so unfortunately, I was sorry for it—Mr. Plaunt wanted to have a full day discussing his plan—certain of the members had made arrangements to return to their homes before and were thus unable to spend a full day on the discussion of this plan. We decided, with Mr. Plaunt's consent, without any objection on his part, that we would take it up at the next meeting. Unfortunately a few days afterwards he sent in his resignation. Why he did so, I do not know; it may be for the reasons which he explained in his letter, it may be also on account of the fact that he knew his term of office was expiring in November and that he may have thought he would not be reappointed, whilst I was convinced that he would be reappointed. It never—

By Mr. Claxton:

Q. Have you any reason for suggesting that he may have thought that he would not be reappointed?—A. No; I am merely putting myself in his place, analysing his situation.

Q. Yes, but there was nothing in communications from him or anyone else that that was in his mind?—A. No.

By Mr. Graydon:

Q. Let us put ourselves in the position of Mr. Plaunt for a moment as he puts himself in his letter to you of August 30, 1940. Having in mind what you have just said with respect to the meeting of August 19 and 20 we find that he says this:—

As then arranged, and subsequently confirmed by letter, this committee was to meet in Montreal on July 6th and 7th. This meeting was successively postponed, but it was always, as I thought, clearly understood that the committee would meet prior to the assembling of the full Board.

When I discovered, for reasons not divulged to me, that no time was arranged for it to meet prior to the August 19-20 meeting, I wired you outlining my understanding of the matter.

That is, he wired you as chairman.

I then proceeded to spend four days reviewing the reports and all the material relating to them, spending a day in Montreal with Mr. Thompson for the purpose of reviewing his own findings. On Saturday, August 17th, I received an answer to my telegram to you, assuring me that an effort would be made to carry out the understanding.

When the news committee met at two-thirty on Sunday, August 18th, Mr. Nathanson advised me that time would be arranged for an examination of the reports, first by the reorganization committee and afterwards by the Board as a whole. Then, for whatever reasons you wish to ascribe, nothing was done either by the reorganization committee or by the Board.

And you have given me these to-day.

Consequently, I explained my position to the Board and I am now taking what appears to me the only appropriate action remaining to me.

Now, let us put ourselves in Mr. Plaunt's position. Here is a man who had submitted a report at the request of the Board of Governors almost a year before, a report which I think neither the chairman nor anyone connected with the C.B.C. will suggest did not contain important recommendations, recommendations that were so important that finally the board, according to your evidence to-day, decided to act upon them, recommendations which went to the

very root of the whole management of the corporation. These recommendations were contained in his report and still for twelve months, important as those recommendations appear now to have been by your evidence and by other evidence which is at our disposal, nothing was done for one year and the meeting was adjourned without hearing a complete discussion with respect to the Plaunt-Thompson report. Putting ourselves in the chair of Mr. Plaunt, if you like, assuredly there is evidence that there was very good reason why he would then resign from the Board of Governors of the C.B.C. I want to ask you further, Mr. Morin, this question: At the next meeting which was filled up with other matters and which apparently were matters which arose subsequently to the time of the Plaunt report and which in all fairness to that report perhaps might have been placed in a secondary position with respect to this discussion, having regard to the nature of the recommendations, was any arrangement made in Mr. Plaunt's presence for another meeting to discuss the Plaunt-Thompson report?—A. Yes, sir.

Q. When was that meeting called for?—A. It was agreed in the August meeting that Mr. Plaunt's explanations and recommendations should be communicated to the board at its next meeting which took place in November.

Q. Yes, but there was no assurance given; as I take it, to Mr. Plaunt at that time that there was going to be another board meeting called within a reasonably short time to discuss these recommendations?—A. He was satisfied; he did not express any discontent, any opposition to the decision.

Q. Well, perhaps not.—A. And my own impression was that he had agreed to that, definitely agreed.

Q. Is that the whole story with respect to Mr. Plaunt, because his letter to the board does not bear that out?—A. Oh, no!

Q. Because he says, "Consequently"—this is between the meeting of August 19-20 and the 30th of August—he says:—

Consequently, I explained my position to the Board . . . and I take it when he explained his position to the board he explained it at the board meeting; and having explained his position he said:

" . . . and I am now taking what appears to me the only appropriate action remaining to me."

What was his explanation to the board that he mentioned in his letter to you?—

A. He expressed his disappointment that the board had not taken up or devoted a certain time to the hearing of explanations that he had to give on his report. We agreed. We were all disappointed at that. We could probably have postponed the meeting by one day or extended the meeting by one day to listen to his explanations, but unfortunately two or three members of the board had made arrangements to go back the same evening and there was no time left; but I am sure none of the members of the board had any idea of deferring unduly the explanations which Mr. Plaunt intended to give to the board.

Q. I am quite prepared to admit, Mr. Morin, that your intentions were perhaps good; but there is a big difference between intending to do something and actually acting upon it. Here was a report made in September, 1939. A meeting was held in October of the same year at which the reports were simply filed. Then there was a meeting in January of the next year at which the reports were still before the Board of Governors although Mr. Plaunt was ill. Then there was a meeting in April of the next year, 1940, at which time Mr. Plaunt was still not in very good physical shape. Having regard to the fact that these delays had occurred perhaps by reason of things that were not within the control of the board but at the same time having made actual arrangements for the discussion of this report, and I do not think you, as chairman of the Board of Governors, will say that there were not full arrangements made at the next meeting for a complete discussion of the

report, the August meeting goes over without a single suggestion being made for quick action to discuss these reports. Taking all that into consideration someone wonders why the man who was constituted as a commission to inquire into these matters resigns from the Board of Governors. Then at the November meeting in 1940, which was the next meeting after Mr. Plaunt had resigned, was the Plaunt report discussed in full? I think the minutes of the meeting of November, 1940—while the committee has said on a previous occasion that the minutes shall not be produced in toto—should be produced. I think we should have to-day some resume of what took place at that meeting in November, 1940.—A. At the November meeting the whole situation was changed by the resignation of Mr. Plaunt and his letter to the members explaining the reasons for his resignation. The board took cognizance of his resigning, of his letter of resignation as published by the press; but no particular action was taken on the report at that meeting.

Q. May I ask you this, Mr. Morin: After referring to the minutes, was the Plaunt-Thompson report actually discussed in any detail at the meeting in November?—A. No.

Q. If that was the case, the August meeting which, as you said, was so full of other business that the Plaunt-Thompson report was put over until another time and when the other time came it was not discussed, may I take from your evidence that three months had elapsed—A. You know, all the members of the board had had the Thompson and the Plaunt report in their hands; they had studied it and gradually as they met they took decision partly to give effect to those recommendations on which they thought action should be taken. On many points action had already been taken at that time; the appointment of the executive committee did not come absolutely as a result of the Thompson report, because you have no recommendations in the Thompson report for the appointment of an executive committee or any division of power between the general manager and the assistant general manager. On the contrary you have a recommendation to the contrary. We decided not to act in accordance with this particular point of the Thompson report. And we had only one thing in mind, better control, better administration of the corporation.

Q. Then what actually happened, Mr. Morin, was without any full discussion or detailed discussion by the Board of Governors various parts of the Plaunt-Thompson report were actually put into operation as the policy of the C.B.C.?—A. Certainly.

Q. That perhaps brings up this question: What parts of the Plaunt-Thompson report then, without discussion at a full meeting of the board, were actually put into operation as a policy of the corporation?—A. I have read the letter to the Hon. Mr. Howe in which I gave an answer to that question.

Q. Yes, but that letter was dated, as I understand it, right after the letter of resignation of Mr. Plaunt on August 30, 1940?—A. Yes.

Q. What was done after 1940? What adoptions were made out of the Plaunt-Thompson report?—A. To find out what decision was taken in accordance with the recommendations made in the Plaunt-Thompson report I would have to go over these recommendations.

Q. There must have been something transpired at the November meeting with respect to the change of policy, with respect to the Plaunt-Thompson report. Would your minutes not show that?—A. No, no mention of it in the minutes.

Q. No mention of it in the minutes at all?—A. No.

Q. Any of those changes that were made by virtue of the recommendations of the Plaunt-Thompson report were made then not by resolution of the Board of Governors at a fully constituted meeting?—A. Some of them were made by resolution passed at the finance committee.

Q. By the finance committee?—A. By the finance committee.

Q. And subsequently endorsed by the—A. Endorsed by the board.

By Mr. Coldwell:

Q. May I take up just one point? You had thought that Mr. Plaunt was ill-advised to resign when he did?—A. I may tell you it was a great disappointment to me.

Q. A great disappointment to you?—A. Yes.

Q. We will put it that way. You said that Mr. Plaunt had opportunities of raising the question from time to time but that he had not done so. I find in his letter of August 30, 1940, to you he said this:—

I raised the matter at the board meeting in the most emphatic way I could. No reasons which appeared to me valid were elicited to show why this essential step to increase the efficiency of the national broadcasting organization in a time of grave crisis could not be taken.

That deals with part of the Thompson report.—A. What particular part is he referring to?

Q. The arrangement for space in Toronto. So that from time to time he had endeavoured—A. Yes, we were all in agreement with him as to that; we felt that the head office should be either in Montreal or Toronto in accordance with his own report, as a matter of fact in Montreal, according to Mr. Plaunt's report. But we were prevented from giving effect to that by the war. That was in 1939. War was declared in September, 1939, and then the government decided, when we had made plans to build studios and build offices in both cities—as a matter of fact we bought land in Toronto and we had made arrangements to obtain land free from the city of Montreal to build a studio and office there—the government told us they would not give us any money to build studios and the construction of office buildings should be postponed until after the war.

Q. The point I am making was not that one, but that from time to time Mr. Plaunt had pressed for the consideration of the report or part of the report.—A. Well, certainly be pressed, because when we made the appointment of a committee he was there and it was at his suggestion that we decided to appoint a subcommittee to deal with it. He expressed, as I stated, at the August meeting his disappointment that the subcommittee had not met on the 6th or 7th of July, and also that the board did not have the time to devote to the study of his report and to the hearing of the explanations which he had to give.

By Mr. Graydon:

Q. Mr. Morin, may I just follow that up for one moment, and also the point that you raised a moment ago? I take it from your evidence that several portions of the Plaunt-Thompson report had actually been put into operation and had been adopted by the Board of Governors or by the finance committee prior to his resignation?—A. Yes.

Q. In August of 1940?—A. Yes.

Q. Now, then, the reason that prompted me to ask that question and to try to get from you the full story with respect to the delay in dealing with this report came largely from the letter which was tabled in the House of Commons. It was a letter from Mr. Plaunt dated August 30, 1940, directed to the Hon. C. D. Howe, Minister of Munitions and Supply. In one pertinent paragraph of that letter he collides with the evidence that you have given this morning. This is what he says in speaking of his resignation:—

I would have taken this step early in the year had not my colleagues—
And there he speaks of the members of the Board of Governors—

—given me some reasons to hope that the serious defects revealed by the reports prepared, at their unanimous request, by Mr. J. C. Thompson, C.A., and myself would be remedied. I have, however, finally been obliged to conclude that such is not the case.

Mr. Plaunt, unfortunately, is not here to give evidence at this hearing, but there is his letter, and so far as I know there has been no contradiction of that letter. And when he says, "I have, however, finally been obliged to conclude that such is not the case," then you will readily understand, Mr. Chairman, why the question that I asked with respect to the implementation of the provisions of the report was asked as it was.

By Mr. Claxton:

Q. Mr. Chairman, there are some questions I should like to ask Mr. Morin along this line. May I preface them by saying, as I think Mr. Graydon said before and I am sure Mr. Coldwell will agree, that Mr. Morin bears the highest reputation in the city from which he and I come. I know how much he is devoted to the work of the corporation. I know also the admiration and affection that he had for Mr. Plaunt. Mr. Morin: I do not like to spend too much time on this matter and also to take up your time, but I do feel it is in the interest of the public to go into it. I appreciate the patient way in which you have answered the questions I have asked and also appreciate that you have many other things to do besides being chairman of the board. I also know that it is sometimes extremely difficult to recollect exactly what happened in view of the passing of two years and all the things that have happened in those two years. In the first place, referring to the meeting of October 16 and 17, 1939, which is the first meeting following the production of the Plaunt and Thompson report—you referred to that on pages 70, 118 and 122 of the evidence, and I think since you have had an opportunity of refreshing your memory. Is it correct to say that at this meeting the Thompson and Plaunt reports were put before the Board, that the board went in camera in the absence of the general manager, the assistant general manager and the secretary and that when it went in camera the then chairman of the corporation, Mr. Brockington, read the Plaunt report to the members and then Mr. Thompson came into the meeting and discussed his report in detail with the members of the board? Is that your recollection this morning of what happened then?—A. I met Mr. Thompson this morning on the street and discussed it with him, and he reminded me that in this October, 1939 meeting he did appear before the board and gave explanations on his report; although on account of his illness Mr. Plaunt had been unable to attend the meeting.

Q. But Mr. Brockington read Mr. Plaunt's report?—A. Yes.

Q. In the first place, then, copies of the report were made available to the members of the Board of Governors?—A. Yes.

Q. And also to the general manager and assistant general manager?—A. Yes.

Q. Reference has been made to the various meetings of the board and what happened at them with reference to this report. Mr. Plaunt is not here to state his recollection of that, so it is rather difficult to reconstruct his side of the case; but I have here a letter from him dated 20th January, 1940, addressed to you. I wonder if you have that letter yourself?—A. I have not got it here, no.

Mr. GRAYDON: Is that the letter tabled in the house?

Mr. CLAXTON: I do not think so; it is dated 20th January, 1940.

Mr. COLDWELL: Written to Mr. Morin as chairman of the board?

Mr. CLAXTON: Acting chairman of the Board of Governors. I have no means of knowing whether this letter, a copy of which I have, was sent in this form.

Mr. GRAYDON: What is the source of this letter that you are reading?

Mr. CLAXTON: This has been given to me out of Mr. Plaunt's file. He begins this letter in this way—perhaps I had better read it:—

DEAR MR. MORIN,—

Re Meeting of Board commencing January 22.

I had some hopes until to-day of being able to attend the meeting of the Board which is to commence on Monday next. My medical advisor, Dr. George Hooper, has however urged me not to do so, partly for reasons of a technical character and partly because he fears that the nervous strain would retard my recovery. I regret this especially as I had hoped personally to bring before my fellow Governors certain problems on the satisfactory solution of which, in my opinion, depends the ultimate survival of this enterprise as well as its maximum efficiency in the war period.

At all events my own relationship to the Corporation necessarily depends on decisions to be taken at the forthcoming meeting. I shall be grateful therefore if you will see that the contents of this letter are given due consideration by the Board at the meeting.

My observations refer primarily to the reports on the organization and personnel of the Corporation which in terms of the Board's request of July 6th were prepared by me or at my direction during July, August and September, and which were made available to the Board at its meeting in October last.

Although this letter is mainly concerned with the reports, I am taking the liberty of making some comment on two important matters which, I note from the agenda, are to come before the meeting. I trust that my colleagues will accept this comment in the spirit in which it is intended.

This letter is very long.

Mr. COLDWELL: I think it had better be read.

Mr. CLAXTON:

(1) *Re* Reports on the Corporation's Organization and Personnel.

As a result of the accumulating dissatisfaction voiced by various members of the Board with important aspects of the Corporation's management, I was unanimously requested in terms of two resolutions passed at the July 6th meeting of the Board to conduct, on its behalf, comprehensive surveys of the Corporation's organization and personnel. To assist me in the organizational survey I was authorized to obtain the services of Mr. James C. Thompson of the firm of Clarkson, Gordon, Dilworth and Nash, Chartered Accountants. Mr. Thompson was suggested because of his wide experience of both public and private enterprises, having for many years been Auditor-General of Alberta and having recently completed the financial studies for the Royal Commission on Dominion-Provincial Relations.

I acceded to the Board's request with considerable reluctance, partly because of the difficulty of arranging business and personal affairs to make sufficient time available, and partly because of the character of the task. My reasons for undertaking it were twofold. Firstly, I agreed that the Board as a whole, being responsible to Parliament for the Corporation, had a right to know to what extent the criticisms of certain of its members were in fact justified. Secondly, I felt that the Corporation, like any enterprise which had expanded so rapidly over a period of only three years, was probably due for a comprehensive stock-taking.

As members of the Board know, I spent most of July, August and September collecting the material and preparing the reports. Part of the time was of course devoted to assisting Mr. Thompson in the collection of data for his report on the structural organization and financial administration of the corporation. During the period the headquarters departments at Toronto, Ottawa and Montreal were visited and studied as were the regional offices in Halifax, Montreal, Toronto, Winnipeg and Vancouver. While most of the material for the reports was collected prior to the outbreak of war, they were all drafted considerably after the outbreak and tried to envisage the changed conditions of wartime as well as the long-term needs of this national enterprise.

Mr. Thompson's report, entitled "Report on the Structural Organization and the Financial Administration of the Canadian Broadcasting Corporation" dated September 23, and my own reports entitled "Reports on the Organization and Personnel of the Canadian Broadcasting Corporation" dated September 30, were placed before the board at its meeting of October 16 and 17. Unfortunately, as you know, I was seriously ill at the time, having been obliged to undergo a major operation at the Ottawa Civic Hospital and so was unable to present the reports personally. The board, I understand, did not attempt to give the reports serious consideration at the time, the members being asked to study them previous to the next meeting. I understand that one aspect of Mr. Thompson's report was considered at a meeting of the finance committee on November 17, Mr. Thompson's recommendation in this particular respect being implemented.

With this brief review of the background, I now wish to request that the board, at its present meeting, go on record as either accepting or rejecting the reports as a whole. This includes, of course, Mr. Thompson's report which was undertaken at my direction, in terms of the board's resolution, and consequently forms an integral part of my survey.

I am asking this, firstly, because, while the corporation has in the main been able heretofore to fulfil the intention of parliament, it cannot, as the reports show, continue to do so without serious reorganization. As I suggest above, this is not surprising when it is borne in mind that in the three years of its existence the corporation has grown from a comparatively small to a large-scale national enterprise, the volume of its operations being, roughly, three times greater now than on November 2, 1936, when the present board assumed control. Secondly, I believe that delay in implementing certain of the findings will seriously jeopardize the future of the enterprise as, also, its effectiveness during the war period. Thirdly, I am convinced that the board will fulfil its statutory obligation as trustee of the national interest in broadcasting only if it acts with reasonable promptness to remedy the internal defects revealed by the reports.

In taking this position I do not for a moment suggest that some of the recommendations do not require further discussion or that by endorsing the reports as a whole I am asking my colleagues to subscribe to all minor details. I feel it my duty, however, to insist that definite acceptance or rejection be recorded by the present meeting. As I indicated above, my own future relation to the board necessarily hinges upon this decision.

One further point should be mentioned here. It was my intention verbally to illustrate certain of the statements in my report on the corporation's personnel, since obviously it was undesirable to mention personalities in a written report of this kind. Had my health permitted I should have presented the report in this way. Its validity does not, however, in general depend on the verbal illustration.

(2) *Re Board's Full Responsibility for Corporation's Management*

As the reports indicate, the surveys revealed serious defects in the corporation's internal organization. These are no doubt due in part to the rapid growth of the corporation's activities but they are also and perhaps mainly due to ineffective management.

My investigations, as the reports imply, make it impossible for me to retain confidence in the present executive direction of the corporation. By the same token I do not consider that an adequate reorganization can be carried through by the present management. These observations are not intended to include the assistant general manager, who appears to me to have done an admirable job under difficult conditions.

The members of the Board of Governors being, under the Broadcasting Act, collectively responsible for the management of the corporation, it becomes incumbent upon them to decide whether or not they can retain confidence in the management. If they cannot, they must of course act accordingly. A definitive decision one way or another appears to me imperative without undue delay. An enterprise of this sort cannot function properly unless the board's confidence in the management is demonstrable.

(3) On a report that certain of the technical employees of C.B.L. were planning to join a trades union, the general manager, on December 4, issued an internal memorandum to all C.B.C. employees, the last paragraph of which reads as follows:—

Members of the staff of the C.B.C. who may be advised to bring pressure to bear on the management through a trade union should realize that such a course in wartime would involve grave considerations which His Majesty's Government in Canada could not disregard.

I was in the hospital at the time, and only heard of the matter through adversely critical editorials appearing in the *Toronto Saturday Night* and the *Winnipeg Free Press*. I suggest that the statement was improper on two grounds. First, it alleged that the government of Canada would take a serious view of C.B.C. employees joining a union. The Prime Minister's statement to the press of January 4 makes it clear that the government had no part in the matter at all. Secondly, the memorandum must have been circularized without the authority of the board, since there is no record of any decision on this important matter of policy. In other words, the circular was entirely unauthorized.

I do not, of course, know the details, but severe press criticism and the public disavowal of the Prime Minister have necessarily given a general impression that the corporation is opposed in principle to the democratic right of free labour association. The board has thus been placed in an untenable position. It must now, it appears to me, either confirm or abandon the policy implied by the circular.

(4) I gather from the agenda that the policy respecting party political broadcasting will be reconsidered at the meeting. I did not know until recently that the general manager had, early last autumn, suspended the policy set out in a pamphlet issued by the authority of the board on July 8. I do not know whether or not his action in this regard was taken at the instance of the censorship authority or whether it resulted from uncertainty concerning the board's jurisdiction in this field of wartime broadcasting. At all events the policy was not suspended by the authority of the board. Whatever the reasons, it appears to me extraordinary that as a member of the board I received no subsequent clarification of so important a matter.

The essential thing, now, however, especially in view of the probability of a general election, appears to me first, that the board immediately ascertain whether or not it still has jurisdiction in the matter, and second, if it has, to decide to what extent to reaffirm the principles outlined in the statement of July 8, at least with respect to the political parties represented in the House of Commons.

Subject of course to the limitations which the censorship authority deems fit to impose, I see no reason why these principles should not, in the main, be reaffirmed. On the contrary, Canada's ideals in the war being, as the Prime Minister has said, the safeguarding of liberty and democracy, the board would, it seems to me, be serving these ideals best by reaffirming the principles of fairness and public service contained in the statement of policy of July 8.

I should appreciate your conveying to my colleagues on the board my appreciation for their good wishes at the time of the last meeting.

With kind regards,

Yours faithfully,

Of course, I have no means of knowing whether the letter that was sent to you and acknowledged on the 23rd of January was textually the same as the copy of the letter which I have just read.

The CHAIRMAN: What is the date of that letter?

Mr. CLAXTON: January 20, 1940.

The CHAIRMAN: That was a fairly good forecast.

Mr. CLAXTON: Yes, it was a fairly good forecast.

Mr. GRAYDON: It was a better forecast than the chairman made, as I recall it.

By Mr. Claxton:

Q. I assume that if it is found that the copy of the letter is not in conformity with the original that you have, that can be brought to our attention and the necessary corrections can be made at a later date. In this letter I certainly read in two places that Mr. Plaunt indicates in no uncertain terms that his future relations with the corporation will depend on the action taken with regard to his report, and I also believe that that attitude, whether it amounted to an actual expression of an intention to resign or not, was expressed verbally to other members of the board. Do you remember, Mr. Morin, Mr. Plaunt speaking about resigning at that time unless something was done?—A. He did not attend the meeting in January.

Q. He could not.—A. If the letter which you have read was sent to me—and I have no doubt it was sent—I had forgotten about it. Certainly I brought it to the attention of the board. There is not the slightest doubt about that.

By Mr. Coldwell:

Q. Is it recorded in the minutes?—A. No. There is no reference to it.

Mr. CLAXTON: Perhaps I should give your reply, Mr. Morin, so that you will know what you said. Your reply is dated 23rd January, 1940, and reads as follows:—

Dear Mr. PLAUNT,—I received from the hands of Mrs. Plaunt your letter of the 20th inst. which you asked me to submit to the Board of Governors at its meeting of the 22nd.

I communicated this letter to my colleagues at a meeting held in camera.

We were all extremely sorry to learn that your physician did not allow you to attend this meeting but, at the same time, we were pleased to find that you were on the way to complete recovery from your recent illness.

Your report upon the investigation which you made of the internal management of the C.B.C. had been communicated to the board at its previous meeting in October, together with that of Mr. Thompson.

All the members of the board, after a summary perusal of these reports, expressed their high satisfaction at them.

At a subsequent meeting of the finance committee, a resolution was passed with the view of creating a satisfactory control of finances.

As a result, I believe that a certain improvement has taken place, although the control is yet insufficient.

To my surprise, some of the members of the board have not received copies of your report and had thus been unable to study it very carefully. They were handed the additional copies which you sent to me and I have no doubt that, at the next meeting, it may be possible to implement it more fully.

You know too well how the board functions to expect that such important recommendations as those which you make will all be acted upon through decisions of a radical character abruptly taken.

There are opinions and influences of which account has to be taken.

Since your report indicated that it would be supplemented by additional verbal information, it is also natural for members of the board to refrain from taking action until these explanations have been received.

The board needs you and you are in duty bound to arrange to resume your functions as soon as your health will have been sufficiently improved and I hope it will be in a very early future.

We expect to have another meeting of the board before the end of our present fiscal year.

If, in the meantime, you have occasion to come to Montreal, do not fail to call me up as I am anxious to discuss the whole situation with you.

Sincerely yours,

RENE MORIN,

Vice-Chairman.

Then, in order that this may be complete, Mr. Plaunt replied in a letter dated January 27, 1940, of which I have a copy. I do not know whether the original was ever sent because there does not appear to be an acknowledgment. It reads:—

Dear Mr. MORIN,—Thank you for your letter of January 23rd respecting mine dated January 20th which you were kind enough to place before the board at the meeting on the 22nd. I am most grateful for your courtesy in the matter.

Thank you also for telephoning me from Montreal after the meeting. In the light of the subsequent announcement of your appointment as chairman, I think I can understand the significance of certain of the things you said to me.

As I said in my telegram yesterday, I feel that everyone concerned is honoured by your acceptance of the chairmanship. I am of course personally delighted that you have found it possible to undertake the responsibility. I think that the appointments will be widely welcomed also as, finally, a clear-cut intimation that the government intends the board and the corporation to function in an independent way. Since last autumn there have, as you know, been quite widespread misgivings on this point.

I note from your letter that you intend to hold a meeting around the end of the fiscal year and that action on the reports prepared by Mr. Thompson and myself may be expected at that time.

In view of the imminence of a general election, I should appreciate your letting me know what decisions, if any, were taken at the recent meeting with respect to party political broadcasting. You will recollect that I included some observations on this subject in my letter of January 20.

If the corporation's future is not to be jeopardized, it is obvious that the arrangements for the coming election must be demonstrably equitable and must be executed in a fearless, unequivocal, and independent fashion.

For my own part, as I said in my letter, I see no reason why the principles underlying the published statement of the board's policy of July 8th should not, in the main, be utilized. They were in conformity with the recommendations of the last parliamentary committee and were agreed, after careful negotiation, by all the parties represented in the house.

At all events, and whatever policy has been or will be decided upon, I trust you will see that it is made perfectly clear to the public that the arrangements and allotments (apart of course from censorship) represent the independent and non-partisan conclusions of the Board of Governors, and that the board necessarily accepts full responsibility for them. Any less unequivocal handling of the matter will, I fear, involve both the corporation and the government in the most invidious difficulties.

I offer these observations knowing that you will accept them as they are intended, since I have had little opportunity of verbal discussions with yourself or other of my colleagues on the board.

If and when I have a chance of going to Montreal, I shall certainly call you up in advance, in the hope of arranging to see you there.

With my kindest regards and all good wishes,

Sincerely yours,"

By Mr. Claxton:

Q. There are one or two things I wanted to mention. In November, 1940, the board passed the resolution affirming faith or confidence in the general manager, to which Mr. Coldwell referred. I think you said, Mr. Morin, that the reason for its doing that was Mr. Plaunt's resignation and the publicity that followed, as well as possibly some of the press comments. Do you happen to know the date when Mr. Plaunt's resignation was accepted by the government? I suggest that it is October 23, 1940. I think you will recall from the previous evidence that the first public announcement or the first word the public heard of this was on the 23rd of October, 1940, when Mr. Plaunt gave that release to the press. Do you know if in between his resignation which was dated 30th of August, 1940, and the 23rd of October, 1940, any communication was addressed to Mr. Plaunt by you or by the government respecting his resignation?—A. I certainly do not know anything about what the government may have done, but I must have written to him.

Q. My information, and my suggestion to you, is that in between the 30th of August, 1940, the date of his resignation, and the 23rd of October, the date of his release to the press, he did not hear anything from any one with reference to his resignation and that it was only after that lapse of time, some seven weeks, that he took the step which he did take—and felt called upon to take—of making the release to the press on the 23rd of October. Then there is one thing more. At the meeting in April, 1941, the change in the by-laws was adopted dividing the functions of the general manager, as has been gone over at some length here. I asked before if substantially that had not been done

at the meeting in November, 1940; and I ask you if it is not so that on or about the 26th of November, 1940, the meeting at which the board expressed confidence in the general manager, the functions of the general manager with respect to the control over financial matters, commercial matters, engineering matters and French programs, were delegated to the assistant general manager, so that the board really anticipated the change in the by-laws made in March and April of 1941 and they gave effect to that change in November, 1940?—A. At the meeting of the finance committee held on the 17th of November, 1939, the following letter was read.

Mr. COLDWELL: It must be 1940.

The WITNESS: 1939.

Mr. COLDWELL: All right. Just read that.

Mr. CLAXTON: That is what I had in mind. I may be a year out.

Mr. COLDWELL: If that is so, it makes it all the more singular.

The WITNESS: Shall I read the letter?

Mr. COLDWELL: Yes.

The WITNESS: The following letter, dated November 17, 1939, addressed to me as chairman of the finance committee, was communicated to the committee:—

Dear Mr. MORIN,—I would ask you to bring to the attention of the finance committee the delegation and definition of authority meant to be conveyed by the attached instructions from me to the assistant general manager. I would add that except in some minor details this formalizes the practice which has grown out of the experience of the past three years of operation.

Then there is the memorandum to which the letter refers.

By Mr. Coldwell:

Q. Who signs the letter?—A. Major Murray. The memorandum reads:—

This memorandum reaffirms, elaborates and formalizes the definition of your duties and responsibilities and does not affect or diminish your authority under clause 8 of the by-laws of the corporation.

- (1) Responsibility for all the engineering operations of the C.B.C.
- (2) Responsibility for all operations of the C.B.C. in the Province of Quebec.
- (3) Specific financial responsibility as follows:—
 - (a) Preparation of the budget for submission to the general manager and the finance committee.
 - (b) Responsibility for the supervision of appropriations as budgeted by the finance committee.
 - (c) Submission to the general manager and after his agreement to the finance committee of all major modifications recommended in budgeted appropriations.
 - (d) Minor reallocation of budget appropriations which may be required to assure proper operation and not affecting the general balance of the budget in consultation with the general manager.
 - (e) Responsibility for the organization and control of the treasury department including personnel replacements and salaries, subject to the general manager's approval.
 - (f) Maintenance across Canada of an efficient accounting organization,
 - (g) Maintenance of an efficient system of establishment personnel.
 - (h) Supervision of the preparation of the annual report for submission to the general manager and the finance committee.

- (i) Responsibility for the performance of the duties defined in clauses 4 and 5 of article 7 of the by-laws, all submissions to the finance committee and the Board of Governors being made through the general manager.

(4) Responsibility for the commercial department.

That, again is signed by Major W. Gladstone Murray.

By Mr. Claxton:

Q. What happened in consequence of that report?—A. Well, the assistant general manager assumed the functions delegated to him.

Q. That was made to the finance committee, was it?—A. That was made to the finance committee, yes.

Q. Was that taken up by the board itself?—A. The minutes of the finance committee were submitted to the board and approved by it on this delegation of powers.

Q. And the assistant general manager, as you were saying when, I am sorry I interrupted you, assumed those functions as described?—A. Yes.

Q. Reporting through the general manager?—A. Yes.

Q. Then just one question more on this. I think you said before, in answer to a question, that action was taken in part to implement the Plaunt and Thompson reports. I think it is within the knowledge of everyone that the Plaunt and Thompson reports did not say anything in favour of dividing the functions of the general manager. That is so, is it not?—A. Yes.

Q. So that when you say that action taken by the board was an implementation of the reports, it was in some other respect than that?—A. Yes.

By Mr. Graydon:

Q. May I ask the chairman this question: some reference was made, in the letter which has just been read by Mr. Claxton, with respect to the meeting held in camera of the Board of Governors. How many meetings since 1936 have been held in camera by that board?—A. I have no recollection, but perhaps three or four.

Q. Three or four. Would there be any minutes of those meetings which were held in camera?—A. No, none.

Q. What was the purpose of the meetings held in camera?—A. Well, to discuss most probably, in the absence of the general manager and of the secretary, certain matters which some of the members wanted to submit to the board.

Q. Do the general manager and the assistant general manager have to be sitting with the board on all their meetings?—A. It is covered by the by-laws.

The CHAIRMAN: It is subsection (f) of section 8 of the amendments which reads:—

The general manager, the assistant general manager and the controller of finance shall be present at all meetings of the Board of Governors and of the executive committee unless their attendance is excused by the chairman or presiding officer.

By Mr. Graydon:

Q. That by-law was passed at the instance of the Board of Governors themselves, I suppose?—A. Yes.

Q. So that in order that the Board of Governors may have an opportunity of discussing the affairs of the corporation or the operations of the general manager or the assistant general manager, they must do it in camera. They cannot do it unless they do it in camera, as I understand it, unless they are anxious to have these two men at their meetings.—A. It is for the board to

decide whether these officers should attend a special meeting or not or any part of it. No one will contest the right of the members of the board to decide that they will hold an informal meeting to discuss a particular question between themselves before taking their final decision which will be recorded in the regular way.

Q. In other words, the minutes of the Broadcasting Corporation, or of the Board of Governors thereof, is not a complete story of everything that transpires so far as the deliberations of the Board of Governors is concerned?—

A. If we decide to hold an unofficial meeting to discuss a question, no record is made.

Q. It is not really a meeting in camera; it is an unofficial meeting outside of your regular meetings altogether. Is that it?—A. Between meetings, also.

Q. Between meetings?—A. Between meetings.

Q. I see. That letter also made reference to the fact that the Plaunt-Thompson report was not in the hands of all the members of the Board of Governors?—A. Yes.

Q. Between the meeting of October, 1939, and the meeting of January, 1940?—A. My impression is that these reports were not in the hands of all the members of the board at the meeting of October, but that at that meeting instructions were given to send copies of these reports to all the members of the board and they must have received them before the January meeting.

Q. Mr. Morin, the January meeting takes on a special significance, as I see it, in view of the letter which Mr. Claxton has read. Having in mind the great pressure which that letter brought to bear upon the members of the Board of Governors to do something with respect to the general aspects of the report, what do your minutes show was actually done at that meeting in January with respect to the Plaunt-Thompson report?

Mr. ISNOR: Which January?

Mr. GRAYDON: 1940. I think it is very important. I think we should have a full revelation with respect to the minutes on this particular point at that particular meeting.

Mr. ISNOR: Mr. Chairman, I did not want to throw Mr. Claxton off his thread of thought while he was reading these letters, but there was a period from July 20—I think that was the date of the letter written by Mr. Plaunt—

The CHAIRMAN: August 30.

Mr. GRAYDON: Yes, August 30.

Mr. ISNOR: There was a meeting in April, 1940. That is prior to the date mentioned by Mr. Graydon.

Mr. COLDWELL: Subsequent. The first was January, 1940.

By Mr. Isnor:

Q. There was a meeting in April, 1940, at which Mr. Plaunt was present?—A. Yes.

Q. And the report was discussed and a subcommittee arranged to deal with the report?—A. Yes.

Q. A committee consisting of the chairman, the vice-chairman, Mr. Plaunt and Mr. Godfrey of Halifax?—A. Yes.

Q. I think we should have it clear that the report was placed in the hands of a subcommittee at a meeting held on April 15, 1940?—A. That is a fact; there is a resolution to that effect.

Mr. COLDWELL: Two months later.

Mr. GRAYDON: I do not think anyone challenges that; it is not a question to whom the reports were referred, it is what they did with the reports after they were referred.

The WITNESS: Now, I remember that Mr. Plaunt's letter, which was read by Mr. Claxton, was handed to me by Mrs. Plaunt while the board was in session, at the opening of the session.

By Mr. Graydon:

Q. January 22?—A. On January 22.

By Mr. Coldwell:

Q. How long did the board sit?—A. Two days, if I recollect rightly—no, only one day.

By Mr. Graydon:

Q. Now, may I refer to my question again, Mr. Morin? You may have trouble getting the information, but I want to know what the minutes show with respect to the dealings with the Plaunt-Thompson report at that meeting in view of the letter.—A. No reference to it.

Q. No reference in the meeting of January in connection with Mr. Plaunt's report at all?—A. No.

By Mr. Coldwell:

Q. Was Mr. Plaunt's letter brought to the attention of the board?—A. Surely.

By Mr. Graydon:

Q. Was it brought to the attention of the board in full sitting or in camera?—A. In camera.

Q. Was it not brought to the board sitting constituted as a board at all?—A. I tell you frankly I believe we did not think the matter should be discussed in the presence of the officers of the board, so the board sat in camera to hear the letter.

By the Chairman:

Q. There is not a record of that meeting?—A. No record of that meeting.

By Mr. Graydon:

Q. That brings up this point, Mr. Morin: Was there reluctance on the part of the Board of Governors to deal with the Plaunt report at all because of the fact that two of the interested parties were sitting in with the Board of Governors at each meeting?—A. First I won't admit there was any reluctance to deal with the report.

Q. I realize you are not admitting that, I did not ask you to. The facts, I think, speak for themselves on it.—A. The first thing is, Mr. Plaunt's report was to be supplemented by additional information.

By Mr. Coldwell:

Q. Verbal?—A. Verbal, which he never gave.

Q. He talked to the members of the board privately?—A. Yes, but never gave it officially. He attended the April meeting and then he decided that he would hold—we would appoint a subcommittee to deal with that, and for reasons which I have given the committee did not meet. And at the following meeting in August we had in mind receiving these explanations and taking action on that report, fuller action on that report, but we did not do it because we were pressed with other urgent business.

Q. Mr. Plaunt had discussed this report individually with members of the Board of Governors?—A. Yes.

Q. I want to draw attention again to the fact that subsequent to his resignation he drew attention to the letter of the Auditor-General which contained very serious charges of internal irregularities. I want to ask this question with regard to the memorandum of November, '39 which was presented by Major Murray, and which you read just now. Was that memorandum presented at the request of the board?—A. Possibly as a result of the discussion which had taken place before the board.

Q. In November, '39; did it have any relation to any inquiry which the board had with regard to the financial affairs of the corporation in the months of March, April, May and June of '39?—A. Will you repeat your question?

Q. Yes. Was the memorandum requested by the board, and if so had it any relation to any discussion regarding the financial affairs of the corporation, particularly in the months of March, April, May and June of '39?—A. Not to my knowledge with reference to that time.

Q. You had no information from the Auditor-General regarding expenditures at that time?—A. You refer to Mr. Howe's letter?

Q. No.—A. The last meeting?

Q. No, I am just asking the simple question as to whether this memorandum was prompted in any way by any discussion in the board of any—we will use the term Mr. Plaunt uses—irregularities in connection with any expenditures of any officials of the board during any of those months?—A. I do not remember the date on which the question of the entertainment allowance granted to the general manager was drawn to the attention of the board. I would have to refer to the correspondence to find out.

Q. The correspondence could be produced?—A. I suppose so.

Q. I suppose when the manager is before us it would be fair to ask him any questions along these lines. I wanted to find out if the memorandum prompted it.

By Mr. Graydon:

Q. Who sets the general policy with respect to controversial broadcasting, the Board of Governors or the general manager?—A. The Board of Governors approved the policy.

Q. I understand that there was a statement of policy with respect to controversial broadcasting issued by the authority of the Board of Governors on July 8, 1939?—A. Yes.

Q. I understand that it is the policy of the board to acquaint fully the public of any change that may be made with respect to rules for controversial broadcasting; is not that the case?—A. In principle.

Q. In other words, that is the policy in principle that is in effect with respect to that?—A. Yes.

Q. I note that in some of the correspondence which has been read—I doubt if I can remember the date of some of the correspondence—into the record this morning there are portions which indicate that although a statement of policy was published and issued for the benefit and advantage of those who might be interested in it, on July 8, 1939, that there was a change made in the policy with respect to controversial broadcasting in November of 1939 at your meeting.—A. That was the meeting of January 20.

Q. There was no change made then so far as the Board of Governors were concerned in the fall of 1939?—A. Not to my knowledge.

Q. Not until your meeting of January, 1940?—A. Yes.

Q. Actually, was there any change made in the policy with respect to controversial broadcasting prior to the time that the Board of Governors met on January 2, 1940?—A. Not to my knowledge.

Q. Well, would you know whether there was any change made with respect to that?—A. Well, if there was a change of policy I should know of it.

If emphasis is given to certain programs of a certain nature over programs of another nature, then that would be done by the management without referring to me, but it would not mean a change of policy.

Q. Then, so far as the change of policy is concerned with respect to this controversial broadcasting I take it there was no change of policy applicable to anyone who would be interested in controversial broadcasting until the meeting of January 22, 1940?—A. I would agree with that.

Q. Did you ever hear that the general manager in the meantime had made a different policy prior to the meeting of January 22, 1940?—A. I do not remember.

Q. Would your minutes of the meeting of January 22, 1940, show any reference made there to a change in policy prior to that meeting, having been made by the general manager?—A. On January 22, the following resolution was passed:—

It was resolved,—

That in view of wartime conditions, which were not taken into consideration when the Board's policy with respect to the provision of free time for party political broadcasting was drawn up, it is felt that it is not expedient to put such a policy into practice at the present time or during such time as a state of war exists.

Subsequently there was a conference between the management and the party political leaders and after consultation with all members of the board by telegram the policy was changed and the change confirmed at a meeting of the 15th of April, 1940, where it was resolved:—

That in order to confirm the result of the telegraphic reference of the management requesting amendment of the resolution on the provision of free time for party political broadcasting at the Board Meeting on January 22nd, 1940, the amended resolution read as follows:—

It is agreed that free time during a federal election shall be granted to political parties according to the conditions laid down in the booklet entitled "Statement of Policy with Respect to Controversial Broadcasting."

Q. If I may say so, I think there were two minutes of the meeting of the 22nd of January, 1940, which deal with the question of controversial broadcasting. I think you have taken the second which appeared in the papers which were tabled in the House of Commons. May I give an extract from the first one, the minutes of the 13th Meeting of the Board of Governors of the Canadian Broadcasting Corporation held in Ottawa on January 22, 1940? This is what it says:—

It was agreed that paid political or controversial broadcasting on C.B.C. stations, networks or hookups, except during elections, be suspended for the duration of the war.

You have just read the one of the 22nd which is supplementary and which gave political parties time, and which proved to be a very accurate prophecy as to the date of the general election. The interesting part of the discussion this morning is that while the public and the members of parliament were sitting very complacently by, not expecting a general election, as early as January 22 there was a suggestion of it in the boards' deliberations. I know you could have had no information; I should not like to go as far as to suggest that you had, but if your business powers in this corporation are half as good as your prophetic powers, there should not be any investigation at all in my opinion. But, however, leaving that as it is, may I say this, that up until the 22nd day of January, 1940, there was no authorization given by the Board of Governors for any change so far as controversial broadcasting was concerned.—A. That is my understanding.

Q. And I take it that the board is the only body empowered to make any change in controversial broadcasting?—A. Yes.

Q. I think that is all.

By Mr. Coldwell:

Q. I want to get this matter of controversial broadcasting clear because I find that some members of the committee last week seemed to know very little about it and did not quite understand what the implications were. As a matter of fact, later in the week I decided that perhaps it would be in the interest of the committee if I gave a brief summary as to what the situation was and to more or less put it on the record in that way. The first point I would make is this: the parliamentary committee inquiring into the C.B.C. in the spring of 1939 unanimously recommended in its report that both in dominion and provincial elections party broadcasting on networks should be on a sustaining basis.

The CHAIRMAN: Is this a statement to the witness, and do you want the answer to come from the Board of Governors?

Mr. COLDWELL: I just want to place the facts, as I understand them, on the record. If I am wrong I want to be corrected.

The CHAIRMAN: It would be better to put it on in the form of a question.

Mr. COLDWELL: Yes; it is a question. I am going to ask Mr. Morin if these facts are correct.

The CHAIRMAN: Yes, put it that way.

Mr. COLDWELL: I have these notes here, but I want to be perfectly clear as to the continuity of events. As I said, the parliamentary committee inquiring into the C.B.C. in the spring of 1939 unanimously recommended in its report that both in dominion and provincial elections party broadcasting on networks should be on a sustaining basis. That is to say, that the C.B.C. should arrange to provide free time to spokesmen for the established political parties and that no time should be sold over networks during such election campaigns.

By Mr. Coldwell:

Q. Am I right in stating that was the recommendation?—A. Well, the report of the committee speaks for itself.

Q. Yes. Subsequently to this the C.B.C. initiated a series of discussions between representatives of the political parties in the dominion parliament, representatives of private broadcasters— —A. Yes.

Q. —representatives of private broadcasters and representatives of the C.B.C. I am informed that the C.B.C. employee in charge of the arrangements at the time was Mr. E. A. Pickering, who subsequently resigned, and who was one time, as most of us know, secretary of the Prime Minister. But he was then assistant to the general manager, and as I said, he later resigned. Dr. Frigon was present at those meetings. These meetings took place in May and June of 1939. The recommendations of the parliamentary committee were discussed and accepted by all parties concerned; the formula upon which the division of time between the political parties was to be based was agreed upon and even the exact proportions were arrived at and accepted. I think I am right in asking if that is correct?—A. I think so.

Q. That is correct. Now, on July 8, 1939, the C.B.C. issued a white paper called "Statement of Policy with respect to Controversial Broadcasting." We have referred to that several times here. That was issued under the authority of the Board of Governors?—A. Yes.

Q. I imagine it was adopted as the policy of the Board of Governors. That is the paper, as I say, we have had here and in section A, from pages 3 to 10 inclusive, the principles and details recommended by the parliamentary committee and agreed on at the meetings I have just referred to were set out.

Section B of this statement, on page 11, declares, "It is the intention of the Corporation to extend to provincial election campaigns the principles of allotting free network time to the political parties." Then it goes on to say that this extension to provincial elections will be governed by the success or otherwise of the experiment in the dominion field. Then we have the war. On January 25, 1940, parliament, of course, was dissolved and we had the election on the 31st of January—that is, after the dissolution—the general manager called another meeting with representatives of the political parties, the corporation and the private broadcasters. This was the meeting to which I referred last week and wondered whether the statement I read was a statement from our own secretary or was a minute of the meeting. The general manager informed me he was responsible for the minute which I placed upon the record. The parties were notified at this meeting that the Board of Governors had decided to suspend the policy recommended by the parliamentary committee in the spring of 1939, and instead it was proposed that a total of three and a half hours of free time on the national network be allowed to the leaders of the four parties in parliament, and that the purchase of time on the national network should be allowed.

The point is this: I think that the chairman will agree with me that this was a direct contradiction of the recommendation of the parliamentary committee and also of the agreements that had been made and the policy adopted and published by the board. I know, of course, the change was opposed quite vigorously by the representatives of all parties who were present at that meeting on January 31. Then I understand that the general manager, as a result of the protests, undertook to consult the members of the Board of Governors by telegram. It was at the next meeting in April that the board confirmed its decision made by telegram to rescind the decision of January 22, and to proceed along the lines of the statement made in July. I suggested the other day it was important for us to know the reasons upon which this decision was made; what were the considerations that governed. While the chairman has to a large extent answered that this morning, the further question I want to ask is this: Does the chairman consider that the experiment of that time was a successful experiment?—A. In the federal election?

Q. Yes.—A. Yes.

Q. Well, now, there have been three provincial elections since—

Mr. GRAYDON: Successful for one party.

The CHAIRMAN: The results were not satisfactory to all parties, but the arrangements were.

Mr. COLDWELL: I am not thinking of the results. I agree with Mr. Graydon in that regard. The results were not satisfactory, but the experiment was satisfactory.

The CHAIRMAN: Exactly.

The WITNESS: I look on it from the broadcasting point of view merely, not from any other point of view.

By Mr. Coldwell:

Q. That being so, and it was understood it would be tried out in the dominion field, and the chairman of the board saying that it was successful from a broadcasting point of view—I think perhaps as such it was, and I think the public generally appreciated it—why has not it been extended to the three provincial elections that have been held since? Has it come up for consideration?—A. Our statement of policy was enacted in July 1939 before the war. And after the war, when we changed our policy in this respect in January, 1940, it was the feeling of the members of the board that in time of war the main purpose was to have a united public opinion behind the public effort to win the war, and that it was not the proper time to engage in controversial broad-

casts which might endanger the unity of the country. We thought that our policy, on account of the war, might properly be suspended during the war.

Q. If that was the consideration, then why were you going to allow the purchase of time, because purchase of time will enable the political parties to buy time and talk in any event just as they please. That does not seem to me to be a logical explanation.—A. Before our statement of policy was enacted, stations were free to sell time to whoever applied for it, and it was only as a corollary to our decision that the former state of affairs had to remain in force.

Q. Were the private stations anxious that this policy should be not put into effect because it would interfere with their revenues to a degree?—A. Not to my knowledge.

Q. No suggestion of that sort made?—A. Never, to my knowledge.

Q. It did not enter into the board's consideration?—A. Not at all.

Q. I ask this question because there is quite a wide-spread idea that is the case.—A. I never heard of it.

Q. As I understand it the policy of July 8 stands now?—A. Yes, except as to controversial broadcasting between election times. Within an election it is the policy embodied in the statement which is in force.

By Mr. Hanson:

Q. Section C is deleted for the duration of the war?—A. Yes.

By Mr. Claxton:

Q. That policy does not extend so far as to prevent discussion between several people on a point of national interest?—A. No, certainly not.

Q. Provided it is carried out in a non-partisan way?—A. No.

By Mr. Coldwell:

Q. I asked you a question this morning with regard to Mr. Buchanan's resignation.—A. Yes.

Q. I was under the impression that that resignation was made to the board; apparently it was made to the general manager. I presume the reply to that letter of resignation should come from the general manager. I think that this reply should be on the record too.—A. You may ask the general manager.

Q. I will ask the question of the general manager?—A. Yes.

Q. That is all right.

By Mr. Graydon:

Q. It is nearly one o'clock, but perhaps I may commence this: Mr. Morin, in the deliberations of the Board of Governors is there a substantial part of your discussions relating to the question of the betterment of programs on the C.B.C.?—A. Certainly, at each meeting we have a full report from the executive of our programs, in which he outlines what has been done, what he has in mind, and this report is studied by the board members and occasionally suggestions are made.

Q. Do you ever have any special meeting of the Board of Governors set aside for the purpose of discussing programs alone?—A. No.

Q. That has never been done?—A. No.

Q. Do you have any meetings of the Board of Governors called for the purpose of any single discussion of that kind at all or do you cover the whole gamut of policy that you supervise?—A. As a rule our meetings are general meetings, called to discuss any question that may arise. But, as I said at the previous meeting, there have been certain special meetings convened for special purposes, on two or three occasions.

Q. What part of your meetings, on the average, do you devote as a board to the question of programs? After all, programs are what people listen

to; they are the merchandise of radio that you have to sell, and the quality of that merchandise is of tremendous importance and concern so far as the corporation is concerned.—A. Yes.

Q. I should like to ask this now, so that you will have an opportunity of going over the minutes in the meantime, and you can answer at a subsequent meeting. I should like to know what part of the meetings of the Board of Governors, since the last committee investigation was held, has been taken up with the question of discussion of bettering the programs of the C.B.C.—A. At certain meetings we have merely taken up the reports of the management, and at others certain members have made recommendations. For instance, Dr. Thomson at the last meeting filed a written report which he had sent to me before and which was communicated to the board, discussed by the board, with the reply made at the next meeting on it by the assistant general manager. But it is impossible to state, and our minutes would not show, what amount of time was spent on the discussion of programs.

Q. Do you lay down, as a Board of Governors, any definite policy with respect to programs on the air?—A. I would not say any definite policy. But we may recommend, for instance, that under war conditions, let us say, priority should be given to all programs which are of a nature to help the war. We might say that under war conditions programs should be of a lighter nature because people are under restraint, and the nature of the programs should be not too serious. I am referring to musical programs.

Mr. COLDWELL: Does that apply to soap programs?

Mr. GRAYDON: Of course, that should be clean entertainment, in any event.

The CHAIRMAN: That is the objective.

Mr. HANSON: It is one o'clock, Mr. Chairman.

By Mr. Coldwell:

Q. You are rebroadcasting some very excellent programs from Great Britain.—A. Yes.

Q. They are programs in English. I think they are very good.—A. Yes.

Q. Are you doing the same thing in the French language? There are some very excellent programs coming over from London in French, not only for France but French people all over.—A. We have French programs from London and we have also programs in French, of speeches, declarations or statements made in broadcasts on the B.B.C. network.

The CHAIRMAN: That will conclude the meeting for to-day. When do you wish to meet again? There is a government caucus to-morrow.

Mr. GRAYDON: Will Mr. Morin be back? We do not want to let him go entirely, he is such a valuable man. I do not know that there is anything at the moment I wish to ask him, but I should like to reserve my rights.

The WITNESS: I am at your disposal, gentlemen.

Mr. COLDWELL: We wanted to let you know that we did not expect you back for a few days.

The WITNESS: If you need me, call me up.

Mr. COLDWELL: We have made great demands on your time as it is.

The CHAIRMAN: Will it suit the committee to meet on Thursday morning at 10.30?

Some Hon. MEMBERS: Yes.

Mr. COLDWELL: Who will be the witness?

The CHAIRMAN: The general manager, Mr. Murray.

The committee adjourned at 1.05 p.m. to meet again on Thursday, May 28, at 10.30 a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 5

THURSDAY, MAY 28, 1942
FRIDAY, MAY 29, 1942

WITNESS:

Major W. E. Gladstone Murray, General Manager of the
Canadian Broadcasting Corporation

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

THURSDAY, May 28, 1942.

The Special Committee on Radio Broadcasting met at 10.30 o'clock; Dr. McCann, the Chairman, presiding.

Members present: Mrs. Casselman (*Edmonton East*), Claxton, Coldwell, Fournier (*Maisonneuve-Rosemont*), Graydon, Hanson (*Skeena*), Hazen, Isnor, Hansell, Laflamme, McCann, Rennie, Telford, Thorson, Tripp and Veniot—16.

In attendance: The officials who were present at the last meeting and Mr. Peter Aylen, Program Liaison Officer.

A letter addressed to the Clerk, under date of May 26, 1942, by the Controller of Radio, Mr. W. A. Rush, Department of Transport, was read by the Chairman. This letter was accompanied by the following information requested by the Committee.

1. List of stations as of November 2, 1936.
2. List of changes in stations between November 2, 1936, and March 31, 1942.
3. List of new stations authorized between November 2, 1936, and March 31, 1942, and changes thereto.
4. List of stations as of March 31, 1942.
5. List of low powered repeater stations licensed to the Canadian Broadcasting Corporation as of March 31, 1942.
6. List of stations as of November 1, 1942, giving actual daily hours of operation.

On motion of Mr. Coldwell:

Resolved—That the above-mentioned lists be printed in to-day's minutes of proceedings and evidence. (See appendices A to F, inclusive.)

The following information, being a return tabled in the House on May 7, 1942, was filed by Mr. Hanson (*Skeena*):

1. Total number of radio licences issued in 1941.
2. Total amount collected.
3. Total cost of collecting such licences.
4. Number of radio licences issued in each province and in the Yukon Territory, in 1941.

On motion of Mr. Graydon:

Resolved—That the above information be printed in to-day's minutes of proceedings and evidence. (See appendix G.)

On motion of Mr. Hanson (*Skeena*), seconded by Mr. Fournier (*Maisonneuve-Rosemont*), Dr. C. J. Veniot was elected Vice-Chairman.

Major W. E. Gladstone Murray was called and proceeded to make his statement.

Booklets entitled "Town Meeting" and "Five Years of Achievement" were distributed to the members of the Committee who were present.

From 12.30 until adjournment, Dr. Veniot, Vice-Chairman, presided.

A limited number of copies of Program Schedules were tables for the information of the Committee.

Witness retired.

At 1 o'clock, the Committee adjourned until Friday, May 29, in Room 429, at 11 o'clock.

ANTONIO PLOUFFE,
Clerk of the Committee.

FRIDAY, May 29, 1942.

The Special Committee on Radio Broadcasting met at 11 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Claxton, Coldwell, Fournier (*Maisonneuve-Rosemont*), Isnor, Hansell, McCann, Rennie, Ross (*St. Pauls*), Tripp and Veniot—11.

In attendance:

From the Canadian Broadcasting Corporation: Messrs. Frigon, Manson, Findlay, Brodie, Bushnell, Radford, Aylen and Miss V. B. Belcourt.

From the Department of National War Services: Mr. Justice T. C. Davis.

From the Department of Transport: Messrs. Rush, Caton and Bain.

Major W. E. Gladstone Murray, General Manager, was called and he concluded his statement.

Witness retired.

The Committee agreed to call the Assistant General Manager, Dr. Augustin Frigon, at the next meeting.

Major Murray's examination will be made at a subsequent sitting.

It was thought that this procedure would enable the members of the Committee to peruse the witnesses' statements before their examination.

At 1.05, the Committee adjourned until Tuesday, June 2, at 10.30 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

May 28, 1942.

The Select Committee on Radio Broadcasting met this day at 10.30 o'clock a.m. The Chairman, Mr. James J. McCann, presided.

The CHAIRMAN: Order, please; we have a quorum, gentlemen, and we will proceed with our meeting.

We have laid on the table before us by the clerk some documents which were prepared by Mr. W. A. Rush, Controller of Radio, giving lists of stations as at various dates since November 2, 1936. I think for the information of members of the committee it would be advisable to have this printed in our records as an appendix.

Appendix 1—Statement by W. A. Rush, providing list of stations, etc.

Mr. COLDWELL: May I ask if the changes in wave lengths authorized are in these lists?

Mr. RUSH: All changes are included.

Mr. ISNOR: Will Mr. Rush be called later?

The CHAIRMAN: If it is desirable; or, if that is the wish of the committee.

Mr. ISNOR: If not, I think we should have a list showing the collections of licence fees collected in the various regions—I think it is in regions, is it not, Mr. Rush?

Mr. RUSH: Yes.

Mr. ISNOR: Can we take that for granted; that Mr. Rush will supply us with a list of the licence fees in each of the different regions?

The CHAIRMAN: In regions?

Mr. ISNOR: Yes, I believe it is available in that form.

Mr. RUSH: We can do it by provinces.

Mr. ISNOR: Provinces probably would be better.

The CHAIRMAN: A list of fees, do you mean?

Mr. ISNOR: Licence fees collected.

The CHAIRMAN: Do you want the commercial fees too?

Mr. ISNOR: I am thinking of the individual licences, and the amounts in the various provinces.

The CHAIRMAN: My understanding as to what you want is a record of the collection of fees, as zones or provinces.

Mr. GRAYDON: Do you want to know if everybody pays them?

Mr. ISNOR: Oh, no.

Mr. COLDWELL: Apparently there has been a return tabled which covers that.

The CHAIRMAN: I see. What is the date of that?

Mr. COLDWELL: It was a question on Orders of the Day under date of May 7, 1942.

The CHAIRMAN: I think it would be desirable if we had that included in the records of our proceedings for to-day in the form of an appendix.

Appendix 2—Order for Return dated May 7, 1942, showing collection of licence fees for 1941.

The CHAIRMAN: At our initial meeting, when I had the honour of being appointed chairman, we did not provide for a vice-chairman. In view of the fact that I will have to be absent probably for part of this meeting and next week I would ask that a vice-chairman be appointed.

Mr. C. J. VENIOT, appointed Vice-Chairman.

Mr. VENIOT: I wish to thank the mover and the seconder of this motion, but I have to be absent from the 9th of June until about the 20th.

The CHAIRMAN: That will be quite all right, Dr. Veniot.

Mr. VENIOT: Will that meet your wishes?

The CHAIRMAN: Yes.

Mr. GRAYDON: The doctors are certainly coming into their own in this committee.

The CHAIRMAN: Well, they are good listeners.

Now, is there any other business to be brought before the meeting before we proceed with order as intended?

Mr. COLDWELL: I do not know whether we can expedite the printing of the evidence, but it would be useful if we could get the evidence, if it could be given us earlier.

The CHAIRMAN: The information that I have with reference to that is that it is on account of the great number of committees. To-day, the 28th, there are nine committees sitting, and the committee staff is somewhat short-handed and the reporters and all the rest of the staff.

Mr. COLDWELL: I understood it was due to the Printing Bureau.

The CHAIRMAN: Before it goes to the Printing Bureau it has to be put in shape and that has caused part of the delay.

Mr. COLDWELL: I understood it was in shape.

The CHAIRMAN: I am informed that the last number of our proceedings is now in course of printing at the Bureau.

Mr. GRAYDON: I think most members of the committee are having some difficulty; there is quite a bit of detailed information which it is hard to keep in one's head from one meeting to another.

The CHAIRMAN: I understand the difficulties and we will try as much as possible to expedite the matter.

Now, we propose to-day to hear from the General Manager, Mr. Gladstone Murray; and I take it for granted that Mr. Murray will be allowed to make a statement with reference to the annual report of last year that he has submitted, and other years if necessary, that he has submitted in his capacity as general manager. I now call on Mr. Murray.

Mr. W. GLADSTONE MURRAY, General Manager of the Canadian Broadcasting Corporation, called:

The WITNESS: Mr. Chairman, Mrs. Casselman, and gentlemen, you have now had from the minister a preliminary account of the government angle in relation to the C.B.C., and also a preliminary account of the policy angle from the chairman of the Board of Governors. The general administrative angle should complete the conspectus, enabling questions to be directed more effectively and with more economy of time. In the setting out of the pattern of work and progress, Dr. Frigon and I will have to refer to some of the subjects already raised both by the minister and by the chairman of the Board of Governors. Care will be taken, however, to avoid redundancy or waste of time, the treatment being factual and narrative.

To begin with, so far as I am concerned, there are several matters with which I feel it necessary to deal; these are partly personal, but they are definitely related to the work and its description.

It would be singularly remiss on my part not to pay tribute to the guidance, help and support of the Board of Governors—a group of representative Canadian citizens from various walks of life and from all parts of Canada who, in the capacity of public trustees, find themselves thrown into an unexampled responsibility; this combination of all problems from that of the circus to politics and religion; into an affair which moves from crisis to crisis and back to crisis, sometimes overnight—and without reward.

There was an inference at the last meeting of the committee that the board resolution of confidence was either drafted or engineered by myself. The fact is—and I wish to have this recorded—that this matter was transacted without my knowledge and came as a complete surprise. Moreover, so far as I know, no official of the C.B.C. had anything to do with the drafting.

And now an observation as to the manifest shortcomings and deficiencies of the C.B.C. These are numerous and deplorable. Fortunately they find authentic expression within the C.B.C. where they are constantly aired and constantly battled about. Before the end of this committee I shall seek a chance of telling you about these deficiencies—of the gap between promise and performance—of the falling short of the ideal. I shall seek your help to make things better, once the performance has been described, the main outline of what has been done and attempted.

And a third personal note, this with regard to Mr. Alan Plaunt, which I wish to place on the record. Differences there were, but I yield to no one in my admiration of and respect for a remarkable example of unselfish public service and rare idealism. The untimely end of a career of such promise is a real loss to Canada.

Then as to my own attitude towards parliamentary inquiries. It has been suggested, and indeed it has appeared in print, that I have been the main obstruction to the automatic setting up of a parliamentary committee of inquiry. The opposite is the truth and for reasons I think will bear examination. It is a fact that I have lost no opportunity of urging the regularity of these inquiries, nor have I lost sight of certain obvious objections, particularly in war time. An inquiry of this description must slow down our work and must involve a temporary suspension of planning. Nevertheless, I consider that the advantages greatly outweigh these disadvantages. As has already been observed in this committee, the maintenance of public confidence is of paramount importance for public service broadcasting. The C.B.C., constitutionally an autonomous corporation, is none the less responsible to parliament, and the public expects that the machinery of reporting upon and reviewing should be periodical and automatic. Akin to this is the further important point of safeguarding the non-party political operation of the C.B.C. It is true, and that is an absolute statement of fact, capable of proof, that in my experience during the past five and a half years there has been no attempt on the part of the government-of-the-day to transgress either the letter or the spirit of the constitution. Such experience, however, at least in democracies, cannot be considered a binding precedent. The certainty of an annual review seems to be something like a basic guarantee.

I should like to pay tribute here to the Hon. C. D. Howe and the Hon. J. T. Thorson for the extraordinary care they have exercised in observing the spirit and the letter of the constitution and for their consistent guidance and help throughout the whole of our operations.

And then there is the positive side, quite apart from necessary safeguards of the public interest. There is the actual constructive value of the results of the deliberations of fresh minds fortified with the experience of legislation and

direct contact with constituencies. My experience on both sides of the Atlantic is that new ideas and new measures of development inevitably flow from this consideration. And there is still another point, and by no means an unimportant one—when matters of broadcasting come before the House of Commons there should be a specially informed nucleus in all parties ready to discuss issues upon a well-informed basis of knowledge. The same should apply to the Senate—which reminds me that in 1940 the Senate Committee on War Expenditures took a very special interest in shortwave broadcasting. That has been the only consideration by a committee of either house since 1939—but such a point may be outside relevant observation.

I would support this contention by reference to my experience in the United Kingdom where for thirteen years it was part of my duties to try to provide some kind of link between the broadcasting authority and parliament. The set-up of committees there was different. There were special committees including members of both houses of parliament, but also outside representatives, representatives of that elusive person, the man in the street. The first B.B.C. was created as the result of a report of a special committee presided over by Sir Frederick Sykes in 1922. They recommended a form of controlled private enterprise under a licensed broadcasting company. Then, in 1925, another committee was set up under the chairmanship of Lord Crawford and Balcarres. This established the charter of the B.B.C. upon which the constitution and practice of the C.B.C. is based.

There was then an unfortunate hiatus of ten years until the appointment of the Ullswater Committee in 1935. As you can readily imagine, improvisation was difficult in my capacity as point of contact. There were the following political administrations:

Date	Prime Minister	Postmaster General
Jan., 1923}	Rt. Hon. Bonar Law.....	Sir W. Joynson Hicks
May, 1923}	Rt. Hon. Stanley Baldwin.....	Rt. Hon. Sir L. Worthington Evans
Jan., 1924	Rt. Hon. Jas. Ramsay MacDonald..	Rt. Hon. V. Hartshorn
Nov., 1924	Rt. Hon. Stanley Baldwin.....	Sir Wm. Mitchell-Thomson
June, 1929	Rt. Hon. Jas. Ramsay MacDonald..	H. B. Lees Smith
		C. R. Attlee
		Rt. Hon W. G. Ormsby-Gore
Nov., 1931	Rt. Hon. Jas. Ramsay MacDonald..	Rt. Hon. Sir Kingsley Wood
June, 1933}	Rt. Hon. Stanley Baldwin.....	Maj. Rt. Hon. Geo. Tryon
1936}		

And there was, of course, in 1926, the general strike under which the normal constitution of the B.B.C. was suspended. In the absence of recurring parliamentary inquiries, or their United Kingdom equivalent, it became necessary for me to seek out various groups of both houses. There were, of course, certain unofficial committees of the commons, such as the "1922 committee", but, for the most part, one had to arrange to get groups together in the mahogany fastnesses of the political clubs of Pall Mall and Piccadilly; in the cosier environment of trade union headquarters, and the more austere setting of the I.L.P. But this was not adequate. A certain amount of information was given and an exchange of views took place, but there was still no visible sign of the existence in either house of what might be considered a reasonable factor of safety and confidence in the broadcasting authority, or a reasonably well informed nucleus of opinion. There were individual exceptions, of course, e.g. Captain Sir Ian Fraser, Captain Plugge, Colonel Moore-Brabazon, Commander Kenworthy, now Lord Strabolgi, in the commons, and Lord Snowden, Lord Queenborough, Kemsley, Lord Camrose, Lord Crawford, and Lord Strabolgi, formerly Commander Kenworthy, in the Upper House. It is true, of course, that honourable and right honourable gentlemen, honourable ladies, and noble lords, not to omit one noble lady of the commons, discovered an interest in music normally embodied in requests for auditions for talented friends. That period in the history

of broadcasting in the United Kingdom would have been much easier to handle if there had been periodical review by some kind of parliamentary committee or its United Kingdom equivalent.

I have elaborated this point not out of criticism of what happened in my previous work, but rather to emphasize the point of the desirability of establishing a firm precedent in this case. Also, of course, from the personal angle, I wish to make it clear on the record that I am not responsible in any way for obstructing or delaying parliamentary inquiry. Consulting my own personal predilections, and putting it in the extreme case, rather than struggle through another considerable hiatus of even three years I would prefer to have perpetual uninterrupted inquiry with authority granted to permit the committee to sit while parliament was in recess.

There is still another point of a partly personal nature. I think it should be dealt with in a preliminary way unless my subsequent observations are largely to be vitiated. This has to do with my expenses. The absence of inquiry has, of course, imposed a considerable disability upon me. Certain misinformation, misapprehension, in the beginning suggested that the expense accounts were extravagant and excessive. Since then these rumours grew and recently it has been suggested that I have been engaged in that amiable pastime of wantonly plundering and pillaging public funds for personal gain and enrichment.

Quite obviously this has to be gone into with full documentation and witnesses, in the most minute detail. But I should like to make this preliminary statement without any intention of prejudicing the issue.

At the time of my appointment, and indeed a considerable period before—

By Mr. Graydon:

Q. What time did you take office?—A. 1936.

Q. What time?—A. November 2,—and I say a considerable time before because it was a moral obligation on my part, having accepted the privileges of the Rhodes Scholarship, ultimately, according to the terms, actual and in spirit, to return to Canada and make some contribution to Canadian life. It was always my ambition to prepare myself in the United Kingdom for such an opportunity; so that I studied this situation from about 1922 onwards.

It became evident that the task of creating a national broadcasting system in Canada required public relations and personal contacts along the lines of established American practice.

The situation was similar to that which I had encountered thirteen years earlier, while helping to establish the foundations of a national broadcasting system in the United Kingdom. I was required to meet socially a large number of people at my home base and elsewhere. Extensive travel was inevitable. I had to meet and to obtain the good will and confidence of the heads and chief executives of the big American corporations, N.B.C., Columbia and Mutual. I had to be *persona grata* with the leaders of impinging industries—the theatre, the film, artists, advertising agents, newspaper owners and editors, manufacturers and so on.

Many of these people, especially in the United States, lived and entertained and did business on a scale that to most of us would seem fantastic. I could not and would not try to match their lavish hospitality, but it was obviously important to maintain a standard not unreasonable by comparison.

I was allowed, by special vote of the board, varying amounts specifically as a contribution to the maintenance of a standard of living calculated to be advantageous to the position, but which I could not entirely defray out of my own resources. That was the exact definition. It was never intended that this should also cover expenditures which it was advisable to make during the frequent and necessary visits on broadcasting business away from my home base.

And here I would say that in work of this kind it is inevitable that one's own resources are drawn upon to a substantial extent. The suggestion of personal gain or profit is absurd; and in the documents which will come forward I shall have no difficulty in proving that I have not only lost considerably on my own account (I make no complaint of it; it is all part of the game) but I have also imperilled the security of my dependents.

From November 2, 1936, when the C.B.C. started, to December 31, 1941, the expenditure claimed and paid, away from base, in the normal conduct of duty, averaged \$2,435 a year or about \$205 a month, and that is decreasing. This expenditure was meant to be a contribution to the cost of business, social and public relations contacts, away from Ottawa, regarded as important in the development of the C.B.C. In a normal week there was a day in Toronto and a day in Montreal, with occasional visits to New York and Washington. The whole of Canada had to be covered periodically, with particular attention to the main production centres at Halifax, Winnipeg and Vancouver, and due regard to other broadcasting centres.

In all this there has been nothing *sub rosa*, nothing hidden. The record of the day-by-day cost to the corporation of my expenses was kept meticulously as a matter of ordinary accounting routine, and was regularly audited by the representative of the Auditor General.

Changes of method in handling the accounts have been made from time to time, in accordance with the advice of accountants, and the instructions of the finance committee of the Board of Governors, and nothing illegal has been done.

Those are the facts. In order to found a fair conclusion on the facts, it is submitted that there should be recognition of the nature of the work. The C.B.C., in order to do its job of public service for the people of Canada, must be successful as a modern "show business," as well as a modern advertising business. To argue that expenditure of the kind is customary is not necessarily a justification; the custom might be wrong or unnecessary. What is argued and what is supported by indisputable evidence is that the real and intangible values accruing therefrom are essential to the development achieved. All activities and effort have been consciously directed to the one end of efficiency in the public interest.

The quality of the service is for others to decide.

The existence of prudent and successful administration is proved by the fact that from November 2, 1936, to the end of the last financial year, March 31, 1942, total income was approximately \$18,800,000, while the cost of operations for the same period was approximately \$17,600,000—yielding a favourable margin of about \$1,200,000.

The activities represented by the expenditures I now mention were an integral part of the main plan whereby the C.B.C. has expanded from a relatively small and obscure concern to one of the chief broadcasting systems of the world; from a concern delivering worthily but precariously 746 programs in November, 1936, to one delivering, with a factor of safety, 3,636 in December, 1941; from a business with an income of \$2 million a year, to a business with an income of \$4 million a year; from a business with an uncertain balance, to one which has established a rhythm of accurate budgeting and a substantial yet not excessive recurring surplus.

Some of the figures mentioned recall others in my experience that are not irrelevant. It was part of my duties in the British Broadcasting Company, and afterwards in the British Broadcasting Corporation, to establish and to manage a series of publications including the *Radio Times*, *World Radio*, the *Listener*, the *Handbook*, and a large number of ancillary occasional publications. The circulation of the *Radio Times* under my arrangement reached two millions a year; *World Radio* reached a maximum circulation of a quarter

of a million, the *Listener* about one hundred thousand, and the *Handbook* about eighty thousand. The main purpose, of course, was to establish the support of the printed word for the spoken word, thereby rendering more effective the whole message of broadcasting, but there was also a vital additional purpose and that was to find the money required for capital development in the replacement of obsolete and obsolescent equipment, in the erection of new transmitters, studios and buildings. During the period 1923-35—the period for which I was responsible for the management and business control, as well as for the editorial side of these publications—there was a net profit of approximately four and a half million pounds sterling, or taking the pound at \$4.30, of approximately \$20 millions. This paid for all the capital requirements including the transmitters of the regional scheme and Broadcasting House in London. I recall a discussion with Lord Gainford who, for part of the time, was chairman of the Board of Governors of the B.B.C. The point was consideration of profits on publications, the figure for the year under review being of the order of 300,000 pounds. Lord Gainford, himself a business man of wide experience, not only in north coast mining, but also in the city of London, made the very reasonable observation from a purely business angle that as there was nothing with which to compare the special set of circumstances of the B.B.C. publications, he could not fairly come to a conclusion that the profits should not be greater. I recall admitting that on the basis of ordinary business comparison his point was well taken, but I then advanced the view, in which he readily concurred, that there must be a commonsense limit to profits of the kind in operations with which the state was concerned, although remotely—operations which partook of the character of a state protected monopoly. It was, therefore, as important to exercise judgment on the reasonable limits of such profits as to organize the other profits necessary for the prescribed and specific purpose in the public interest. This is a point which should not be neglected in considering the financial aspect of public service broadcasting in Canada. We could have made much more money. But that is not the only criterion. Enterprises of this kind occupying a privileged position and supported by the authority of the state should be careful to avoid even the appearance of ruthless or unnecessary invasion of the field of legitimate private business.

I am not claiming undue credit for what progress has been made, but I am submitting in particular that the expenditures incurred by me directly were a consciously planned and carefully studied ingredient of the pattern of progress which I shall now try to unfold in a preliminary way.

It is three years since a committee of the House of Commons considered the C.B.C. and it is, I suggest, logical to carry forward the story from the point where we left off. Certain specific recommendations were made by the last committee and it might be useful for your deliberations to have a relatively detailed account of what has been done on these recommendations. There is, of course, a vast difference in atmosphere. I recall, for example, the interest of the committee of 1939 in the arrangements then being made for the effective broadcasting of the royal tour. The importance of that tour and its effect on subsequent events are now a matter of history. Certainly there are not lacking competent critics who declare that during the royal tour broadcasting did not fall short of the objective set for it by the parliamentary committee of 1939. It has been regarded as the chief broadcasting enterprise of its kind so far undertaken. The special satisfaction of Their Majesties was conveyed in conversation on board the Empress of Britain prior to their embarkation from Halifax at the end of the tour. This satisfaction was emphasized and elaborated later in London through the Earl of Clarendon, Lord Chamberlain, who received from me the gold microphone on behalf of Their Majesties.

A few months later the scene was transformed. The C.B.C. had to adapt itself on short notice to the requirements of the war.

The first consideration, of course, was the physical one of safeguarding equipment. In the beginning one had to allow not only for the possibility of sabotage, but also for temporary seizure by enemy agents. Although it is not long, it is perhaps a little hard to look back to those early days when the future was obscure. Special precautions were taken to protect transmitters, for example, by sand bags, barbed wire and flood lighting. Also armed guards had to be provided in co-operation with the R.C.M.P. and the army.

Then there was the problem of the maintenance of engineering supplies. Also there was the consideration that much of the engineering equipment for broadcasting comes from the United States. This meant foreign exchange becoming a factor.

On the engineering side, we had to make sure of replacement, particularly of vacuum tubes. Then there was the problem, new construction. When the war broke out plans had already been drawn and approved for the construction of new studios at Montreal and Toronto where, even then, accommodation was hopelessly inadequate. With the coming of war this construction had to be abandoned. We just had to do with what we had. In addition, material had to be found for a tremendous expansion of work through new programs associated with the war effort. In the result we have had to adapt and make temporary makeshift arrangements which in normal circumstances would be contrary to good practice.

Then there was censorship, which came automatically with the Defence of Canada Regulations. Was censorship to be rigid, exclusive and centralized? What was to be done about broadcasting from other countries and particularly from the United States, and to the United States. The policy adopted was one of flexibility, tolerance and devolution. It may be that the absence of complaint about radio censorship cannot be pleaded as a justification. It is suggested, however, that if a policy of tolerance and flexibility had not been adopted and applied the House of Commons would have heard about it. The only restrictions placed on broadcasting by the Government Censorship Committee were those that were necessary in the interests of security. The authorities had to be sure that no useful information could reach the enemy and that the Canadian air should not become a channel for the dissemination of unfounded rumour or alarmist speculation. Later on in connection with the news and with privately-owned broadcasting there will be more to say about the details of censorship. It may be relevant to mention here one special point. In order that no enemy ship might take advantage of meteorological information from Canada, all weather forecasts which might be heard at sea were discontinued.

During the fortnight following August 25, 1939, the whole art and business of broadcasting had to be transferred from peace time to war footing. Plans for this kind of emergency which had been drawn up in peace time, in consultation with the B.B.C., were necessarily tentative and on general lines. The moment and manner of impact could not be foreseen; we were in no position, for instance, to know in advance what the attitude and reactions of neighbour nations might be, nor even how the various European nations might line up. Consequently adjustments had to be made and the policy continuously reviewed. We were not caught unprepared. On one occasion in this fortnight the national network operated continuously for forty-one hours.

Soon there emerged a picture or a blue-print of the functions of our kind of broadcasting in war time. Here are five main objectives:—

1. Overcoming enemy propaganda by telling the truth palatably.
2. Entertaining the troops and the workers.
3. Maintaining an effective link between troops overseas and their kinfolk at home.

4. Safeguarding and stimulating civilian morale.
5. Explaining and promoting the numerous war tasks involving the need for national and individual sacrifice.

Behind this still remain the permanent objectives, artistic and cultural. There must be constant planning for the future. The message of broadcasting still goes into the schools and homes of the children who will be the citizens of the free world for which we are fighting.

Growing recognition of the value of broadcasting in war time is reflected in the increasing degree to which the government and its departments look to the C.B.C. for aid in publicizing policy, legislation and assistance in the promotion of national campaigns and appeals.

Much important legislation has been first introduced and explained to the public in broadcast talks from Ottawa. Frequently, little advance notice is possible and we must stand ready at all hours of the day and night to take care of such emergencies.

A broadcast network is a complex mechanism, its operations normally requiring a great deal of advance detail planning. Last minute reorganization of a schedule to provide for a national pick-up from Ottawa, with adequate provision for a French version on the Quebec network, at a time which will command a good listening audience, is, in a country the size of ours, with five time zones and numerous regional networks, a severe test of enterprise and ingenuity.

So-called spot news originating from government sources is, of course, supplied to our News Bureau by the press services on which we depend for our news. However, special machinery is available to dispatch, direct, items of unusual significance which might be released so late that the normal channels would be too slow to incorporate the items in a regularly scheduled news broadcast. For instance, when at a Sunday evening press conference on December 7, the Prime Minister announced Canada's decision to declare war on Japan, the news was broadcast in less than two minutes after the announcement was made. Similarly, when a press statement is issued dealing with some complex subject for which certain background information is desirable to illustrate significant features, the Liaison Office is available to pass on such information to the news editors for their guidance.

In addition to familiar and popular programs such as "Carry On, Canada," and "Let's Face the Facts," which have been produced in cooperation with the Director of Public Information, perhaps the heaviest responsibility has been in the developing and promotion of various national appeals and campaigns, particularly of course for the war departments, Army, Navy, Air Force, Finance, and Munitions and Supply. Programs of this kind, produced in the national interest are acknowledged as important factors in the success of the campaigns concerned and are among the more interesting and stimulating broadcasts produced in this country. The All Star Variety programs, for instance, produced for the war loan and war savings appeals, commanded a very large audience indeed, and ranks with efforts previously considered the exclusive property of our enterprising neighbours.

The series of Feature Broadcasts produced last fall in aid of the salvage campaign were, we were told, productive of remarkable results. All phases of the war effort are reflected in our schedule at one time or another. "They Fly for Freedom," for example, produced in collaboration with the R.C.A.F., was a complete picture of how an airman is made. Similarly, "Canada's Answer," a series of actuality broadcasts from war industries, arranged with the assistance of the Department of Munitions and Supply, pictured realistically some of the activities on the home front. These are but a few examples of this phase of the work, the C.B.C. being represented on all publicity and campaign committees.

Music takes up 54·3 per cent of program time—the rest of the spoken word, including news, drama, talks, discussions, and so on, the remaining 45·7 per cent. The encouragement of robust and balanced controversy was and is a definite peacetime policy of the C.B.C. It was worth while intellectually and politically, using the latter word in its broad sense. That all problems of public interest and concern should be debated frankly and even with heat was more than a luxury, it was an important part of the equipment of a healthy democracy. And without overcrowding with detail I should like to call attention to some of the matters, picked at random, included in the peacetime programs to give you an idea of the area of controversy, all, of course, not subject to censorship. We had a series on Confederation, and in the planning we omitted the attitude of a section of opinion in New Brunswick, which at that time would have gone back on Confederation. We gave them their right to speak against the tricking of their province into Confederation in 1867, and published their statement in the relevant Book of Talks. Afterwards Maritime rights were brought forward. Then, with regard to various views about the British Empire, the commonwealth view, the imperialist view, the colonial view, the constitutionalist view (the statute of Westminster), the doctrine of orderly evolution in equal partnership. Difficulties and criticisms in those various forms all had their appropriate place in the balanced series. On the point of defence, the advocates of collective security, the British commonwealth school, isolationists, the Pan-Americanists, the North Americanists, the Isolation Pacifists and the Pure Pacifists; all the various solutions of the economic problem, private enterprise, socialism, communism, and totalitarianism, social credit and so on. But, in looking through the lists I was uncomfortable to discover that apparently the only view not expressed was that of the only political party I think I myself have ever been associated with and that was anarchism. I was once a member of a group of philosophic anarchists; but it may be that as this was the apotheosis of individualism it was contrary to the tenets to do anything to organize and produce the advocacy.

By Mr. Graydon:

Q. It would be bad policy to bring into the Broadcasting Corporation?—

A. In any event, the whole range of subjects of that kind and points of view were produced in an endeavour to hold a fair field, to see that opinions given were responsible opinions, and represented all the main points of view.

Now, I want to call attention to a curious disability in handling controversy on the air even in peace time. You can plan a series of discussions and satisfy yourself that it is perfectly fair, but you cannot guarantee that your audience will remain to hear both sides of the question, or how ever many sides there may be. Let me give you a case in point from my own experience. When I was with the B.B.C., then in charge of the spoken word programs, I arranged with Mr. G. K. Chesterton and Mr. Bertrand Russell to discuss the subject, "Are parents qualified to bring up their own children?" It was an admirable debate. Mr. Chesterton, with his characteristic wit, and Mr. Bertrand Russell, with his devastating analysis, had a field day. It was an admirable piece of broadcasting; but it had an unexpected and astonishing sequel. We had thousands of letters of protest from those who heard Mr. Russell and did not hear Mr. Chesterton. I was accused of having abused the dignity of the B.B.C. to disseminate attacks on the institution of marriage, the stability of society, and all religion. In fact I was creating an apostle of complete iconoclasm. That calls attention to the fact, I think, that there must have been some who listened to Mr. Chesterton and did not listen to Mr. Russell, but they did not write in. All the people who wrote in had listened to Mr. Russell only. I call attention to this as a permanent disability in that you cannot guarantee your listeners are going to stick to it.

But war brings changes. It is submitted that, with the closing of the ranks, public issues should be expounded objectively and not in a violent controversy. I know that there are vehement critics of this attitude, critics who have damned our whole broadcasting service on account of this forbearance. Some of the most vociferous advocates of the use of radio for controversy, and for what they call free speech in war time, turn out to be less interested in attaining free and fair debate than in getting across their own ideas; whether consciously or unconsciously, they would misuse the national radio, turning it into a vehicle of sectional propaganda. In the week during which Canada was at peace while Britain was at war, there was criticism of the C.B.C., and of myself in particular, for taking the B.B.C. news service on the ground that this was a violation of neutrality. Some went further, advocating that, in advance of the meeting of parliament, there should be staged controversial radio debates on whether or not we should go to war alongside Britain. Such counsels were resisted, and no attempt was permitted to stampede public opinion or to usurp the functions of parliament by the misuse of the national radio.

I want to make a special point of this. I think we have an important function to play in educating and making public opinion more acute, better informed, in airing controversial views; but it always must stop short of the point of usurping or stampeding the legitimate functions of parliament. This is an instrument of communication, entertainment, education, and enlightenment; but it must never be used to stampede public opinion in such a way as perhaps to prejudice the fair deliberation and judgment of parliament.

I said just now that one of the chief duties imposed upon us by the war was to explain to the people of Canada the various war tasks, to say why necessary, and how best carried out. In order to do this it has been necessary to maintain close touch with the departments of government particularly concerned with the prosecution of the war.

Now, about news. You have already heard something about news. I am referring to it in a different way and it is not necessarily repetition or redundancy. The public of to-day is hungry for news as it never was before. This is borne out by every survey of listening habits. And the public is entitled to hear the news reported as completely and as soon as is consistent with security. The people want to feel that the news which comes to them is authentic and unbiased; if they had reason to believe that the dissemination of news was in the hands of any particular government or government department, as it is in Germany—if they thought that news was being edited, distorted or coloured to meet the views of any particular advertiser, they would lose faith in the news and would entertain rumours, with the disadvantages that flow therefrom.

These views were consistently kept in mind when on January 1, 1941, the C.B.C. set up its own news service. This service was organized after careful consideration and a thorough survey to replace the service of news bulletins which had been supplied free of charge by the Canadian Press since the beginning of national broadcasting in Canada.

The policy directives and the outline have already been given by the chairman.

When war news happens to be unfavourable it would seem wise to present it as factually as possible, without including too much extenuating comment even when it is available as it always is. Intelligent listeners realize that reverses have to be accepted from time to time. The use of such extenuating comment, instead of being reassuring, may have the opposite effect. One of our commentators the other day in giving an account of discussions in England about gas bombing was rebuked by a listener for suggesting to the Germans that gas may be an effective weapon of war.

Similarly, at the outset of any new campaign, the greatest caution should be exercised in presenting reports from sources too inclined to see things through coloured glasses.

It is much better to err on the side of understandment until there is a clear-cut decision when, if the news is good, bulletins might reasonably reflect the general satisfaction.

With regard to the handling of controversial and political news, we recognize that to hold views on political matters is not only the privilege but the duty of every citizen of a democratic state where the party system is an accepted vehicle for the expression of public opinion. It is taken for granted, however, that no member of the C.B.C. news service staff will permit his personal views, whatever they may be, to exert the slightest influence on the manner in which he may handle political copy for C.B.C. news bulletins. Neither political predilection, personal friendship, nor any other consideration is allowed to affect, in the slightest degree, the integrity of the C.B.C. news. I am not claiming infallibility. We have made mistakes, and some rather serious ones; but this is the inevitable failure of the human factor, and they are kept to a minimum. We learn by experience to stop the gaps of failure.

C.B.C. news bureaux were established at Halifax, Montreal, Toronto, Winnipeg and Vancouver. The Montreal bureau was staffed with French as well as English editors in order to give full news service in French to the French network. The Toronto bureau operates as the central newsroom for Canada, and all national news bulletins originate from there.

The general pattern of the schedule of news broadcasts is subject to the modification necessarily imposed by the difficulties arising from regional differences in time. Broadly speaking, there are in each region four main news broadcasts daily. Two of these consist of news of general interest to Canadians prepared in the central newsroom. The national news bulletin from Toronto is an example; it was broadcast daily to the whole of Canada and was listened to at times varying from 8 p.m. in Vancouver to midnight in the Maritimes. These are the hours at which the main national news bulletin was read until Sunday, May 10. Beginning on that date the time of the main national news bulletin was changed to 10 o'clock p.m., E.D.S.T. Here are the reasons for this important change, and it was an important change, because it affected the habits of many people.

In the first place Maritime listeners until May 10 were getting the summary at midnight. This was altogether too late and representations had been received from boards of trade, Canadian Legion posts, town councils, public leaders, as well as from many listeners—they all asked for the news summary to come at 11 p.m., A.D.S.T., as it used to before the national change-over to daylight saving time. The United States, by the way, has no Atlantic time zone, and the result was the Maritime provinces were therefore cut off from even news from the United States.

Throughout Ontario and Quebec all rural listeners and many listeners in urban municipalities that had been on standard time before national daylight saving time was introduced, had received the bulletin at 10 p.m., standard time. The hour delay proved a hardship.

In the large cities, such as Toronto and Montreal, listeners are, generally speaking, getting up earlier in the morning, starting work earlier, and working harder. To these listeners too 11 p.m. was unduly late.

Soldiers in eastern camps have lights out at 10.15 and many of them like to hear the news before turning in. Listeners in the west now have restored the same time for the main bulletins as before the introduction of country-wide daylight saving time. The other two main broadcasts are regional; they contain in addition to general news a number of items of local or regional interest. These principal news broadcasts of fifteen minutes each are supplemented by shorter bulletins at fixed times during the day, which serve to keep the listening public up-to-date with the latest news. Interruption of normal

program service for the broadcast of "flash" news is kept to a minimum. Such a procedure is for only when the "flash" is of the utmost national and urgent significance.

The C.B.C. obtains its news free of charge from the British United Press and the Canadian Press. These two great news-gathering organizations, with their many foreign affiliations, make their full news service available to the C.B.C. The chairman of the Board of Governors recorded here our appreciation of the generosity of these organizations in making available their service to the national broadcasting organization without cost. I would underline what he said. It is an admirable example of effective co-operation in public service in war time; and in order to remove any misapprehension there may have been current and what seemed to me to be a wrong impression placed on some exchange of conversation when the chairman of the Board of Governors was on the stand, I would make it clear that our relations with the Canadian Press and the British United Press are extremely cordial. When we planned to set up a national news service, what we had in mind was to keep pace with the standard of radio news reporting elsewhere; to adapt the news to the special needs of radio, that is, the spoken essay form; and to widen the sources of information as far as possible.

The Canadian Press had carried the burden for years, and actually prepared the bulletins. We assumed that responsibility, set up a news staff, as we should do, because writing for the press is quite a different kind of writing from writing for radio. There has been no attempt to anticipate the news-gathering agencies or newspapers. All we seek is equality of treatment. We do not like to be scooped and we are not attempting to steal their birthright.

By Mr. Graydon:

Q. You have a little advantage over them because you can get your news out a little more quickly than the press can.—A. Yes; but we seek no unfair advantage. We have to get it out at certain times. We are seeking no unfair advantage in the matter.

In building up the personnel of the news bureaux, it was recognized that the success of the service would depend to a great extent on the men and women selected as editors and copywriters. Every effort was made to secure those who had a well-rounded, practical experience in preparing and handling news, and who had, at the same time, sufficient imagination and flexibility to adapt their writing to the requirements of the spoken word. Dependability was naturally a major consideration in choosing a staff for a service that must function effectively, day in and day out, throughout the year. In the process of choosing his staff, the chief editor made a tour across Canada, visiting the principal news centres and interviewing likely candidates. He also received the advice of newspaper editors and the regional managers of the Canadian Press and of the British United Press.

Arrangements have been made for monitoring foreign news broadcasts, including those from South American countries, at the C.B.C. shortwave receiving station at Ottawa. Valuable news material is being received in this way. We are seeking no advantage in getting this news. It is released to the news agencies.

Then there is now contemplated an extension of this service in connection with the monitoring organization in Washington.

In addition to news bulletins prepared in the C.B.C. news bureaux the B.B.C. news, direct from London, goes to the national network twice every day, except the Maritimes which does not get the noon bulletin. In addition the French network carries a translation of the noon B.B.C. news, together with a complete French newscast direct from London every night at 7.30 p.m.

The manner in which this news service has been received and welcomed by Canadian listeners is most encouraging. Mr. Charles Siepmann, who was for many years a high official of the British Broadcasting Corporation, afterwards in charge of the radio division at Harvard and now in the O.F.F. at Washington, after making a careful analytical study of this problem of news broadcasts, has given his considered opinion that the C.B.C. news service is, in its writing and in its delivery, the best in the English-speaking world. And I have ample evidence to show that in many parts of the United States within the coverage area of C.B.C. stations, the C.B.C. news is extensively listened to and highly regarded.

There is a very clear-cut distinction between the objective presentation of factual news and its interpretation. To meet the need for interpretative comment, we have arranged special news analysis of the day's news to be broadcast five evenings a week in the form of a five-minute comment. In addition to this, every Sunday, a week-end review of the news of the week is given in rotation by members of a panel which includes such experienced commentators as G. V. Ferguson, H. L. Stewart, H. F. Angus, B. K. Sandwell, C. F. Fraser, W. L. MacTavish, Percy Phillips, John Bird, Watson Thomson, G. G. Sedgewick, F. H. Soward, and others equally competent. I will explain how we try to deal with that. First of all we have arranged the special service of five-minute analysis of the day's news to be broadcast five evenings a week at 8.00 o'clock. Now, this is a very difficult task, but I think it is being done with conspicuous success. Both in connection with this and in connection with the week-end review we have a long and excellent panel of speakers from whom to draw. For instance, our week-day panel now consists of Mr. Wilson Woodside of Toronto, Mr. R. O. MacFarlane of Winnipeg, and Mr. Grattan O'Leary of Ottawa. These five-minute concentrated interpretations are of extraordinary value to the average listener. Then, every Sunday there is the week-end review of the news of the week, and this review is given in rotation by members of the panel, which in my experience is by far the ablest of its kind. Perhaps many of us do not realize we are blessed in Canada with a very distinguished group of commentators. I think proportionately we are much better off than they are in the United Kingdom, and I do not believe we are behind the United States. I should like to tell you a little about them. You have no doubt heard them; they are all conspicuous in their particular field. The week-end review panel at the moment consists of: Watson Thomson, of the University of Manitoba, Winnipeg; George V. Ferguson, editor of the *Winnipeg Free Press*; Percy J. Philip, representative in Ottawa of the *New York Times*. The policy is not to wear these people out, to change them over occasionally. Incidentally, a change is a good thing. Professor Henry Angus of the University of British Columbia is another distinguished commentator. He has been stolen by the External Affairs Department, and cannot be used any more. Dr. H. L. Stewart of Dalhousie University, Halifax, and W. L. MacTavish, editor of the *Vancouver Province*, B. K. Sandwell, of *Toronto Saturday Night*, John Bird of the *Winnipeg Tribune*, G. G. Sedgewick and F. H. Soward, both of the University of British Columbia, are members of our panel. There are others, including Mr. Gagnon, as Dr. Frigon, my colleague will explain, in the province of Quebec.

Then, I do not know why it is, but the prairies seem particularly productive. Dr. Sydney Smith of the University of Manitoba has an extraordinary power of penetrating analysis. The latest discovery in this list is Dr. J. S. Thomson of the University of Saskatchewan, who has begun recently the new series entitled "The Fight for the Future," a remarkably vitalizing weekly analysis of the spiritual background of the problems which we face. And then in Ottawa there is an apostle of solid common sense, of robust Canadianism,

in the person of Mr. R. B. Farrell, who for years has given consolation and cheer to thousands. He has quite a remarkable list of followers throughout the Dominion as evidenced by the letters received. As I said, the same applies to French Canada. It has been suggested sometimes that we draw too much upon journalism and universities. After all, the universities are the workshops of thinking and skilled exposition. They seem to have more time. I should like to feel we could go into the other walks of life, but they do not seem to have the opportunity.

By Mr. Graydon:

Q. What about the farmers?—A. We tried to get them; it is very difficult to get the farmer. We have tried repeatedly to get commentators from the farm, but we have only been able to use them on the regional networks, and on the Farm Forum, which I will come to later on. They have their own platform and their own problems from day to day and their own daily farm programs; but in the general sphere of interpreting the news the farmer has not got the facilities for one thing, the facilities of information. He prefers to address himself to his own particular problems which I shall describe when we reach the matter of special services for rural areas.

Q. I think that is a matter which might well be reviewed and considered again because there is a tremendous following of listeners in the rural sections of the country, and naturally they like to hear a man with an agricultural point of view, if possible.

By Mr. Hansell:

Q. You are dealing now almost entirely with the interpretation of news?—A. Yes, that is right. Now, outside of Canada we have, of course, our own experts over in England. The commentators there on our staff are Rooney Pelletier and Bob Bowman. Then we have our own special commentators in England, Gerald Barry, editor of the *News Chronicle*, and, prospectively, Kingsley Martin, the editor of the *New Statesman*. Graham Spry in peace time did some of that work, but his other war work took up all his time and he had to abandon it. Then in Washington we have a Canadian, Mr. J. A. Minifie, who gives us a regular commentary from there, and we use Raymond Gram Swing from New York regularly, and occasionally Sydney A. Moseley, the distinguished commentator on station WMCA, New York, the only Britisher who has broadcast regularly in the U.S. since shortly after Great Britain entered the war. Now we have instituted a special weekly comment from Australia, employing a distinguished American, Mr. Joseph Harsh, who represents the *Christian Science Monitor*. Amongst the recent discoveries on the air is Dr. Ewing, a teacher in Vancouver, who has been giving a series on psychological and philosophical problems and so on, directed in very simple language, but of an extraordinary value in the development of clear thinking.

Another example of the development in this field is this: On May 11 a famous institution in the United States called "Town Meeting of the Air" ventured outside of the United States for the first time and came to Ottawa. A member of this committee, Mr. Brooke Claxton, was one of the participants in this debate. The others taking part in that debate were: Mrs. Phyllis Turner, Charles P. Kindleberger, Hon. David Worth Clark, Senator from Idaho. The question debated was, "How can Canada and the United States co-operate further to win the war?" I should like, with your permission, Mr. Chairman, and if the committee agrees, to have copies of the record of this debate circulated for your information at your leisure to give you an idea of the technique of this kind of discussion. The experiment was considered successful. A highly

gratifying volume of correspondence was received from both the United States and Canada, and it gives me pleasure to be able to tell you that both Mr. Claxton and Mrs. Turner came out very well in assessing the correspondence.

We do not mean to let the matter drop there. We were very glad and we were honoured to be able to act as hosts to "Town Meeting of the Air." We are going to undertake our own Town Meeting of the Air, suitably adapted to Canada, as soon as we can get it organized. I think we want to keep it moving, and our present idea is, when we get the details worked out, to get this thing going as soon as possible after the summer and have it moving all over Canada, in this kind of reasonably controlled free-for-all debate on chosen subjects of current interest. And we have a promise, if we carry this out—as a matter of fact we are quite confident we shall carry it out; we think it will be just as good and perhaps better than the Town Meeting on the American network—that one of the American networks may carry it as well.

Here perhaps it may not be out of place to mention another result of the impact of war on our services. If the war has spurred us on to fresh fields and new activities, it has had its negative results too. Some of the plans and developments in mind at the time of the last parliamentary committee have had to be postponed.

At that time we were proposing to erect in Montreal and Toronto new buildings to house our staff in studios which would be complete with all the latest and most up-to-date equipment. The money was available, plans were drawn up and everything was ready to go ahead. But when the war started we felt that it was our duty to go on with existing equipment as long as it was physically possible to do so. So far we have been able to manage. We are now operating in quarters where we are cramped for space, short both of material and personnel; and faced by daily increasing demands on both. I should like here to pay public tribute to the ingenuity and to the industry of our engineering and production staffs who continue to do their jobs in trying and adverse circumstances and indeed often under almost insuperable handicaps. In the course of the last fiscal year, for instance, with only five studios and limited equipment at their disposal, the Toronto staff originated to the network no less than 7,693 programs, taking well over 2,000 hours. Conditions are no better in other centres—Montreal, Vancouver or Halifax.

Let me try to give you an idea of what is involved in the way of studio time and studio space in a big production; a feature program like "Atlantic Battle," for instance. There is a cast of from twenty to thirty actors and an orchestra of twenty-four to thirty pieces, not to mention sound effects men and equipment. These have to be rehearsed separately for a minimum of three hours. Then they will be rehearsed together for two hours. Three studios then will be tied up for five hours for rehearsal alone, and, during all that rehearsal time, normal broadcasting must go on. This means that rush hour conditions prevail sixteen hours a day in each region for 365 days of the year.

Three years ago, much of the committee's time was taken up with the discussion of plans and possibilities for further work in television, facsimile and frequency modulation. All these are matters for which we cannot find time or money in the midst of war. Other plans, too, have had to go the same way, plans for improved public service, such as the institution of an artists' bureau, and a school for announcers. Just a word about television. As you know, it had to be abandoned in England where it had gone a good deal farther ahead than anywhere. I believe it has now been abandoned also in the United States, or at least it is just being kept alive in an experimental way. Frequency modulation is stabilized as a practical concern, although it may be carried on. Facsimile is no longer a problem.

The war has made considerable inroads on our personnel. Our attitude is, close up the ranks, double up the work, in order not only to keep the jobs open, but to keep down expenses.

Now something about the overseas unit, the C.B.C. expeditionary force. In December of 1939, by arrangement with the Department of National Defence, a small C.B.C. program unit accompanied the first division of the C.A.S.F. when it sailed for overseas; the purpose was to make recordings of the embarkation, the trip across, and the landing in Britain. We did not do much in that respect because events were bound to govern the future. Later on this unit was expanded, and to-day it consists of six men and a specially designed armoured mobile van complete with recording equipment. An effort was made to get a close-up of a bomb-burst during the time of the blitz, and it was suggested that Hyde Park should be the place. Our people went there and got within such uncomfortable proximity to the bomb that the van was turned over twice. I do not think they got the recordings, but no one was hurt. This group is very much in the front line. The staff and the van operated right through the worst part of the blitz; the van is battle-scarred with hits from shell splinters and bomb fragments. They have made what are considered to be the best recordings in existence of the air blitz. The staff and the van are still over there.

An important part of their work has been the collection and transmission of messages from Canadian fighting men in England to their people at home. The moral value of this comforting service is inestimable. The collection of these messages is not easy. When the anxious mothers and wives and sweethearts, and fathers hear "This is Private Jones of Waskesiu speaking—Hello Ma, Hello Pa, I'm fine. Hope you are too, g'bye," when they hear this it is the result of a lot of effort and sometimes of an ingredient of good luck. The long journeys in an armoured truck over unknown roads with all sign posts removed, with no information forthcoming from wary inhabitants, the assembling of equipment in a military camp—not in a studio—the long drive back through pitch dark with perhaps an air raid thrown in, and then the editing and shaping and recording of the final program to fit exactly into the number of minutes and seconds allotted, and this weekly chore for both English-speaking and French-speaking troops, is only one of their normal activities. The overseas unit is now producing, including programs for both the English and French networks, five thirty-minute programs and four fifteen-minute programs every week—such programs as "Greetings from the Beaver Club", "Gentlemen with Wings", "Jean Baptiste s'en va-t-en Guerre", "The Open Box", "Les Cahiers Francais", "Les Voix Francaises", and "Greetings from Canadians in Hospital Overseas". And another van is making an admirable contribution to the home program and the empire program of the B.B.C., helping to carry some of the weight which bears so heavily upon that organization.

Of course, this problem of getting messages across is complicated by the uncertainties of transmission; and in order to make that better we attempted some time ago to have recordings made, as distinct from the direct transmission, and sent over. This is to remove the disabilities and disadvantages; but unfortunately we have already encountered a great deal of delay, sometimes months, and in the interval, especially thinking in terms of war casualties, unfortunate incidents occur. There was one specific incident in which a message was sent over recorded and the person concerned had been killed in the interval. We are trying to correct that; but it may be that with the development of war casualties, we may have to abandon the records and rely only upon the direct word of mouth by shortwave.

Early in 1940 our General Supervisor of Programs visited London. The first of his tasks was to investigate the possibilities of shortwave broadcasting between London and Canada. The B.B.C. were at one with us in thinking that transmission by beam was too expensive to be considered for any kind of regular program service; by beam as distinct from the ordinary shortwave

radio transmission it cost \$7.70 a minute with a minimum of ten minutes; and for programs going out from Canada we have to add another \$80 for the cost of the line to New York; we have to use RCA facilities since the only Canadian beam station, the Marconi plant at Drummondville, is restricted to government business. So it was arranged that the B.B.C. would devote thirty minutes a night of their North American transmission to C.B.C. programs, special items and messages. Canada would beam special programs from time to time, and would send over recordings of favourite Canadian shows which the B.B.C. would rebroadcast in their home service or forces schedule. In addition to the records, we send over by press cable the material for two newscasts every week; these give the troops overseas local and sporting news, which is not likely to appear in English newspapers. The news is read by a Canadian announcer in England. And, by the way, we have a similar news bulletin every Sunday broadcast here for the benefit of Australians and New Zealanders in Canada. That has been very deeply appreciated both by the young men concerned and women—there are some women here—and by their people in Australasia. I shall mention, too, a service which is greatly appreciated by Canadians overseas. Every week end during the hockey season, in co-operation with Imperial Oil, we make on a record a sixty-minute condensation of the play-by-play description of the Saturday night hockey game in Toronto. This is beamed to England during the night and broadcast to Canadians in England on Sunday morning. I am told it has an extraordinary big English audience especially since the suspension of English hockey. They get a reflected pleasure from listening to the hockey games which come from Toronto.

Mr. Bushnell's other tasks were to make similar arrangements with the French radio (at that time France was still a fighting ally) and to develop the work of the C.B.C. unit. These two tasks were more or less related; the overseas unit with its mobile equipment was to proceed to France with the Canadian division (of course had it done so, the armoured mobile unit would now be in German hands). As it is, it is still available for the time when the Canadians get into the battle line, whenever and wherever that may be.

Shortly after Mr. Bushnell's return to Canada the B.B.C. asked us to lend him for six months to reorganize the North American program service. We naturally co-operated, although he could ill be spared. And so throughout the worst of the blitz Mr. Bushnell was in London, advising the B.B.C. as to what types of programs would be most acceptable in Canada and in the U.S.A., how programs for North America should be produced; helping them in the selection of suitable announcers and in the proper presentation of news for an American audience. At the same time he was able to arrange for the fuller co-operation of our own program unit in England. They are now using a good deal of the Canadian talent available in England and presenting it in programs for the B.B.C. forces schedule. During my own visit to England last autumn it was gratifying to discover the high regard in which the work of the C.B.C. unit is held throughout the United Kingdom. There was also at that time consultations with the United Kingdom ministers with regard to improving the whole United Nations operation in that area, and these conversations were subsequently supplemented by exchanges with Washington. That whole matter, of course, is not for public discussion.

This, then, is an indication of the new conditions and different problems which have come into being since I last met a parliamentary committee. I shall have occasion from time to time to fill out the picture when I come to review the general activities of the corporation. As mentioned in the beginning, it seems to me that perhaps the best way to do this will be to take the more important headings of the final report of the last committee, to deal with each separately, and to tell you what has been done and what has not been done and why.

Press and Information

1. Your committee was impressed by the increasing scope and importance to Canada of the corporation's work. It feels that more effective steps should be taken, through broadcasting itself and other appropriate methods of disseminating information, to familiarize the public with its varied activities.

By Mr. Graydon:

Q. I was out for a few moments. Did you deal with the question of our news broadcasts or our commentaries with respect to the war effort as an approach to the United States in your report?—A. I mentioned it. I said we had in the United States a bigger listening audience than we had in Canada; that is primarily due to the popularity of the news broadcast itself and secondly to our commentaries.

The problem of how to give the public adequate advance information about our programs is still one of the most difficult we have to face. The situation is only slightly better than it was three years ago, and the problem is far from solved. I have already told you how it was handled in Great Britain. It was relatively central there because it is a small country. Papers published in London can be distributed to the north of Scotland and the north of Ireland over-night.

Here again the war has interfered with plans. Right after the last committee we reorganized publicity operations on a regional basis. A competent publicity representative was appointed in each of the five regions; it was his duty to know the C.B.C. picture thoroughly, and to keep in touch with all the publicity media of his region. By the end of 1939 we had lost three of these representatives and doubling up they have not been replaced. As far as possible their functions have been absorbed by other already busy officials in the various regions. We had to carry on with the main task and restrict our activities in the publicity field.

We now issue every week in four of the five regions what we call the regional program schedule. This consists of a complete list of all C.B.C. programs to be heard in the region for a week. It is not just a bare list of program titles. It contains program notes, information on personalities, background material and photographs. Samples of the program schedule for Ontario are circulated for inspection here. The schedules are issued a little more than two weeks ahead of time, the schedule for the week beginning on March 22 would be issued on Friday, March 6. They are sent to all newspapers, daily and weekly, in the region as well and to a selected list of interested organizations. Picture releases in matrix form to the number of from 250 to 300 are included every week. The actual amount of information and pictorial matter now being issued in each region would be sufficient, with some elaboration, for the editorial content of a weekly magazine. To effect economy in printing and paper, the number of weekly schedules is being reduced to three, one for eastern Canada, one for western Canada, and one for the French network.

This, then, is the material made available to newspapers. The use they make of it is a matter which is beyond our control. Everybody knows how great is the pressure on newspaper space, particularly in time of war. The great majority of our dailies do not seem to be able to find space for much more than bare program listings. No doubt the amount of space devoted to the C.B.C. by daily newspapers would represent, if measured nationally in terms of advertising space rates, a large sum of money. But for the purpose of keeping the public fully informed as to the content and nature of programs to be heard, it is hardly adequate.

I am glad to report that we have enjoyed considerably more success in our efforts to interest the country weeklies. This has been due largely to the institution of the Sunday program "Neighbourly News."

Q. That is an exceptionally good program.—A. It is a program of great human interest, and the fish stories are rather classic.

Mr. COLDWELL: I agree that it is a good program.

The WITNESS: We put them all on at Christmas and the fish stories certainly improved; whether the Rockies exceeded the Prairies, I do not know. The fish were of tremendous size. They are listened to not only in the rural areas but also by a large number of people living in the cities whose roots are in the country.

In each of the regions there is a "Neighbourly News" commentator, who gives a weekly talk based on stories of local and human interest found in the columns of the weeklies of his region. These programs command a very large and interested audience. The middle-aged merchant or lawyer of a big city listens eagerly to an account of some freak of weather, of some unusual sporting incident, or of the happy doings at a barn raising in the neighbourhood of which he has memories years back.

The good-will which has been built up in this way with the Canadian Weekly Newspaper Association has resulted in very much increased publicity for C.B.C. in the columns of the weekly newspapers in every part of Canada. Moreover, many requests are received to have these commentators appear in person to address luncheon meetings, service clubs, etc. In fact, Andy Clarke, who is the finest of those commentators, has real processions throughout the countryside. In the country he is feted and taken as quite an outstanding public personality. Of course, that is all to the advantage of radio because of its propaganda value. On such occasions the local weekly usually publishes in full or in part the address which is given. Here for instance is a cutting from the Thorold (Ontario) *News* of September 25, 1941:—

The local Kiwanis Club this week listened intently to Andy Clarke, noted C.B.C. Radio commentator, who addressed the club on the topic "Progress and Development of Radio in Canada". In another section of the *News* will be found Mr. Clarke's address in detail and it will be continued in next week's issue.

This is typical. During the past year Andy Clarke has visited and addressed a great number of rural and semi-rural communities in Ontario. His example has been followed by the commentators in other regions, and with similar results. The value of public relations work of this kind can hardly be overestimated.

I should like to tell you about another service we have given to these small newspapers. The average weekly does not have at its disposal the financial and mechanical resources enjoyed by the big dailies. Many have no facilities for making printing blocks from a matrix in order to print a picture; more think twice about incurring the expense involved in casting, cutting and mounting blocks for more pictures than are absolutely necessary. To meet these handicaps the Press and Information Division of the C.B.C. give special assistance in the form of a plastic stereo, cheap in manufacture and light in weight. This stereo is of such a nature that it can be placed straight into the printing form without the need for any extra work or expenditure. Its light weight, too, makes for a great saving in mailing expenses.

Now a word on the subject of microphone publicity. This is a method we are using as much as possible, but it is one which has serious drawbacks. And it is one which can easily be overdone.

For some time an experiment was made in Toronto to give fifteen-minute round-ups of features to be heard during the evening and the next day, with music excerpts of some of the featured programs, through the use of recordings. It was a failure. Listeners will not take notes from lists of this kind. To read, over the microphone, a long list of programs and times is comparable to the reading of a grocery list with prices. From a psychological standpoint it usually does more harm than good. Instead, an effort is now made to announce two or three of the most important programs to be heard, either following the news broadcasts or at set periods over individual stations. Microphone announcements, moreover, concerning programs and special talks can rarely be given on the network since all stations may not carry the broadcast in question. It must, therefore, be done locally, and is being done locally over C.B.C.'s own stations; and this is being worked out with efficient skill.

There is no doubt that public demand for full information about C.B.C. programs is insistent and increasing. Of course there are many important programs about which it is impossible to give advance information. Very often the news that an important radio address is to be given by Mr. Churchill, for instance, will not reach us from England until the very day on which it is to be given. Even on some of our regular weekly programs we have no means of getting information until it is too late for issue to the newspapers; for instance, with the Metropolitan Opera series, the first information we receive about the next opera to be performed is the announcement at the end of the preceding opera.

Admitting these difficulties, I have to confess that we have a problem which has not yet been adequately solved. The other British countries which have a nationally-owned broadcasting system—Great Britain, Australia, New Zealand and South Africa—all own, edit and publish their own official program journal which reaches the reading and listening public direct.

I must tell you very briefly of some other important functions of the Press and Information. They are responsible for the printing and issuing of important series of talks. These are produced and sold at a price pretty close to cost—generally about 25 cents a copy. We see a slight profit on some and a slight loss on others, but on the whole this important work has been done without expense to the corporation beyond the office labour involved. Some of these reprints have had large sales; 20,000 copies of the series "We Have Been There" were sold, requests for it coming not only from Canada, but from thirty-seven of the forty-eight states. Often an important speech is printed and attached to the program schedule, and copies are mailed to people who ask for them.

The stories told on the children's series "Just Mary" have been published in co-operation with a Toronto publisher. Over 4,000 copies of the two editions have been sold.

Then, we have issued a score of free pamphlets and booklets giving information and publicity about various activities, program and otherwise, of the C.B.C. In that connection I will put before the committee a series of pamphlets issued on the five years' operation of the C.B.C. It is a handy record in dealing with specific problems.

In addition the Press and Information Department has acted as a distributing agency for pamphlets and folders issued by the B.B.C., so that full information about British broadcasting activities may be available to Canadian radio stations, newspapers and other media of information.

Coverage

There has been reference to this both by Mr. Thorson and Mr. Morin, but it has been in general terms. I think it is worth while reading the actual resolution of the previous committee under the head of "Coverage":—

(3) Your committee notes with satisfaction the development of the plan of national coverage especially in the Prairie and Maritime provinces, where 50,000 watt regional transmitters are being added to the national

network. In the further development of the plan, the committee approves in particular of the corporation's intention to proceed at an early date with much needed improvements in coverage and service in southwestern Ontario and British Columbia.

"Coverage" is a word borrowed by the young radio industry from the newspaper business. Newspapers used the word to express their circulation in terms of geographical distribution. Now it is comparatively easy to find out how many people in any particular city or district buy a certain newspaper. But it is not so easy to determine how many people listen to a given radio station.

By Mr. Graydon:

Q. How do you tell how many listen?—A. There are various expedients. Sponsors of commercial programs have telephoned house to house, and they have all kinds of tricks of salesmanship. At the present time we are selling a map, a world-war map at 25 cents. It has two purposes, educational, because it is supposed to make it easier for people to follow events, and wherever it is sold that fact is recorded and the whole pattern of its sale and its distribution will be studied to see whether it gives any indication of change in listening habits.

Q. But then it is more or less an estimate.—A. I think so; I myself do not subscribe to the certainty of those alleged highly scientific surveys, because at best you will only approximate and that must be interpreted in a commonsense way, in the same way as you study listeners' letters. It is quite wrong to lay down any hard and fast rule. You may get an enormous volume of correspondence from one program and practically none from another. It does not mean the larger correspondence will reflect greater popularity.

By Mr. Hansell:

Q. You will find that usually people are a little more ready to criticize destructively than they are to send in letters of commendation.—A. Yes, that is quite true. An excellent way to find out whether a thing is popular is to withdraw the service and wait for the screams, and the screams will come in eventually.

By Mr. Graydon:

Q. If you do not hear any screams you just keep it off?—A. If it is desirable, if there is no reason to keep it on.

By Mr. Hansell:

Q. I mean to say, sometimes people will be more prompted to write a letter if they have an objection to make, than they would to sit down and write you a letter telling you how pleased they are with it.—A. That is absolutely true. For instance, there is a certain curious sensitivity in different parts of the country to specific things. The slightest tampering with any British Broadcasting Corporation relayed program in the province of British Columbia is very strongly resented or a change of time in a program such as "Radio News Reel." That is not the case elsewhere. It will pass almost unnoticed, but in British Columbia they are very, very conscious of anything affecting the B.B.C. retransmissions.

By Mr. Coldwell:

Q. Do you not think that is largely due to the fact that they hear that program so much earlier than we do in the other parts of Canada?—A. Yes.

Q. Just after dinner?—A. Yes.

Q. They usually sit around and wait for the B.B.C. news.—A. That may have something to do with it. We had for reasons which we could not get around

for the time being to take off the five-minute news commentary which was incorporated in one of the B.B.C. bulletins. That had to be removed for the time being and it was very strongly criticized. After all, with regard to the question of the correct assessment of the value and the merit to be got out of a survey of listeners' opinions or the examination of correspondence, it is the commonsense criterion that counts. I think myself that you get a better gauge of public opinion if you take half a dozen people of your own acquaintance, in different walks of life, ordinary commonsense people in different walks of life and state the problems to them and get their judgment. If you do that it seems to me you get a sounder result than by trying to test the opinions of two or three million listeners in a vague kind of way that is subject to various interpretations.

Q. I have heard it said that the C.B.C. station at Watrous is not listened to as much as certain local commercial stations. I know that is not true. I have travelled extensively in Saskatchewan. I know as far as we are concerned in our political group we would give almost anything to get on the Watrous station instead of getting on the private station that we use. I know from my actual movement around the province and going into the homes of the common people that the suggestion that the C.B.C. station at Watrous is not acceptable to the people is not true. When they say it is not listened to that is not true.—

A. That is very comforting additional information. I felt sure that was the case although there are statements to the contrary. We know with great definiteness that the audience in the United States of Watrous is very considerable. The number of American listeners to the Watrous station may be slightly unusual, but Watrous on a 540 kilocycle is an exceptional station as it reaches out to the middle of the continent and has the widest coverage of any medium wave station on this continent. Its signal stretches right across the prairies, almost down to the borders of Mexico.

Q. Right up to Aklavik?—A. Right up to that. It has, of course, a tremendous coverage.

In radio all that we can accurately say about coverage is that the programs of any given station can be heard by so many people in such an area. There is no certainty that they are so heard.

Now in determining radio coverage we have to take two factors into consideration—the strength with which the radio signal reaches any given place, and the noise level in that place. By noise level I mean the amount of interference particularly from man-made sources such as street cars and all the electrical equipment of a modern city. For the purposes of our coverage surveys we have fixed an admittedly arbitrary criterion, and that criterion is the ratio of signal strength to noise strength at any particular place. We have followed general engineering practice in taking it through a field strength contour of 0.5 millivolts per meter, which is a rough indication of the extent of the service area of a broadcasting station. By that I mean roughly that we mark an irregular contour line on a map enclosing an area in which the radio waves reach receiving sets with a minimum strength of one two-thousandth part of a volt. It is a compromise because in noisy urban areas this signal may be too weak to provide satisfactory service, whereas in quiet rural areas a signal one-twentieth of that strength may be sufficient.

Generally speaking, anyone within the primary coverage area of a station should be able to get an audible signal at any time of the day or night.

I am glad to be able to report a very marked improvement in this respect. For this improvement two factors are chiefly responsible—the implementing in March 1941 of the North American regional broadcasting agreements or Havana wavelength changes, in which my colleagues, Dr. Frigon and Mr. Donald Manson, were largely instrumental in putting forward the Canadian view—and the coming into operation of new C.B.C. transmitters.

Before the Havana agreement Canada had six so-called exclusive channels for high powered stations, five of which were subject to intense interference from vastly more powerful Mexican and Cuban stations. We also had two high power channels shared with the U.S.A., and fifteen local and regional channels shared with the U.S.A. on a hit or miss basis. That meant that often in many places when you tuned your radio to a Canadian program you would get a background of noise and interference from some station outside Canada. To-day Canada enjoys the use of clear channels as follows:—

Six clear channels for Class 1A stations with no power limitation. In addition to this we have the frequency 540 kc. for CBK, apart from the Havana allocation.

Four clear channels for Class 1B stations with a maximum of 50 kilowatts.

Four clear channels for Class II stations with power from five to fifteen kilowatts.

That is, fourteen clear channels. The enjoyment of a clear channel, by the way, means that on a particular wavelength or frequency we have exclusive rights within the Dominion of Canada; the other parties to the international agreement undertake to see that no station operating on that frequency will lay down a signal in Canada beyond certain fixed values. In other words, the Canadian stations are protected to specified contours.

In addition to these clear channels we have forty-one regional channels for the use of stations of from 500 to 5000 watts and six local channels for the use of stations up to 250 watts. These channels are not exclusive; there may be two or three or more stations operating on the same frequency but they will be so far apart, or directional antennæ will be so used so that the interference does not exceed certain fixed treaty values.

Turning now to new C.B.C. transmitters, the results hoped for from the big transmitters in the Maritimes and the Prairies have been better than anticipated.

CBK, the Prairie Regional Transmitter at Watrous, serves a population of over one and a half millions, more than a quarter of a million radio homes and an area of 290,000 square miles. Apart from serving thousands of prairie homes, it sends its signal out over hundreds of miles of barren tundra and muskeg to reach lonely trappers, policemen, miners and Hudson Bay factors living beyond the Arctic circle. The whole of the Canadian north is getting satisfactory C.B.C. service.

CBA in the Maritimes contains in its primary coverage area of about 17,000 square miles, some 378,000 potential listeners and 46,000 radio homes. This station also reaches a substantial number of towns in the New England states.

At this stage of the proceedings Mr. McCann, the Chairman, relinquished the chair to Mr. Veniot, Vice-chairman.

The WITNESS: The figures for both CBA and CBK represent primary coverage, areas where they can be received day or night. If secondary service areas are added, that is where reception is good only at night, these figures can be tripled.

CBK and CBA are the two main additions to our chain of stations. Besides these we have erected a new and much more efficient transmitter for CBM, Montreal; that is, the English medium power outlet in the province of Quebec for the English programs. By this means we bring English programs to 87,000 more people in the province of Quebec. At Dixie, near Toronto, a new thousand watt transmitter for CBY, with the first directional antenna used

in Canada by the C.B.C., brings alternative C.B.C. program service to a million and a quarter people living in an area of about four thousand square miles around Toronto. Station CBY has its chief value from a program angle because it enables us to fill gaps that were occasioned by CBL's commercial commitments, causing it to miss some of these outstanding programs which otherwise would not have reached the Toronto area except for CBY.

Then a number of privately-owned stations at Kenora, Rouyn, Nelson, Ste. Anne de la Pocatiere, Sherbrooke and Campbellton have been added to the C.B.C. network. These and the other affiliated private stations supplement the service of the nine nationally-owned stations.

As a result of all this, C.B.C. service has been made available to well over 90 per cent of the population and to 96·1 per cent of the radio homes in Canada. I think there was some confusion in giving these figures before; the population percentage is 90 per cent, the radio homes percentage is 96·1 per cent.

By Mr. Graydon:

Q. How do you arrive at the number of radio homes in Canada?—A. The licences.

Q. Purely on the basis of the licences?—A. Yes.

Q. You take it for granted everybody who has a radio has a licence?—A. Yes.

At the time of the last parliamentary committee we were giving service to only 76·5 per cent of the population. So you see that in the last three year's coverage of Canada has become over 20 per cent more effective. Though we are now close to complete coverage, we are still striving prudently to improve the position. But it must be remembered that here, as everywhere else, the law of diminishing returns applies. From now on each dollar spent on extra transmitters, each new kilowatt of power put into operation, will bring in a smaller number of additional listeners. The problem resembles that of trying to get 100 per cent efficiency out of an engine—after a certain point every additional knot or mile of speed will cost more per mile.

By the way, I might mention in this connection that C.B.C. stations have a potential audience, rural and urban, of over eight and a quarter millions in the United States; close on two million American radio homes are within the primary coverage area of C.B.C. stations, and have been able to hear the story of Canada's war effort, to listen to Canadian news and to enjoy Canadian programs. I do not mean to say that they all do so listen, but all the evidence I have goes to show that we have a surprisingly large actual audience in the United States. In fact, with regard to some programs we get much more correspondence from the States than we do from Canada, especially war programs.

The final report of the last parliamentary committee made specific mention of unsatisfactory coverage in southwestern Ontario and in the Cariboo district of British Columbia.

Plans were prepared for a new station in southwestern Ontario, but construction was postponed because of the war. I have forgotten just where it was to be, near Windsor. I should just mention there that although that southwestern Ontario station was postponed, special arrangements were made with the privately-owned station CKLW at Windsor for taking a larger proportion of our war programs, and their area of distribution is considerable on both sides of the line.

The problem in British Columbia is one of the physical configurations of the province. That mountainous region contains numerous pockets. In point of distance these may be well within hearing range of one or more radio stations, but they are shielded by surrounding walls of rock. Those of you who have tried to operate a portable radio set in a modern hotel room, where the main structure is of steel will have had practical experience of "shielding" on a small scale.

We had to think out ways and means of circumventing this conspiracy of nature. And this is how we are doing it. We are erecting at strategic points small relay transmitters, each of some 20 watts, and fed from wire lines. These will give purely local service. For instance, one already in operation at Revelstoke serves a population of 3,500 (380 radio homes). That is not an ideal solution, but at least a partial solution; I think, as the chairman of the Board of Governors already mentioned, at strategic points small repeaters are being erected and fed from the wire lines.

By Mr. Graydon:

Q. These are the stations you call repeaters?—A. Yes, for purely local service.

By Mr. Coldwell:

Q. Who owns the wire lines?—A. Either the Canadian Pacific or—

Q. You do it with private wires?—A. Yes; the wire operations are done under a contract in which the Canadian Pacific and the Canadian National are jointly represented. That contract has just been renewed for five years. .

By Mr. Graydon:

Q. The matter of servicing the territory in East Kootenay was brought to my attention by Dr. George MacKinnon, the member of parliament from that district; and I was wondering if the service had been completed so far as East Kootenay is concerned, the repeater service?—A No, it is not; I am just going to tell you about that. The two sections which are concerned are East Kootenay and the Cariboo. This is what my note says: During the ensuing months we plan to erect similar relay stations in the Cariboo district at Williams Lake, Quesnel, Prince George and Wells. To meet similar conditions that prevail elsewhere in the province, there will be relay transmitters at Cranbrooke, Kimberley, Fernie and Creston designed to give service in the East Kootenay district of British Columbia. It is purely a problem now of getting the area into operation.

Q. Will there be a long delay before it is completed?

Dr. FRIGON: We are waiting for the equipment.

By Mr. Hansell:

Q. Will that station at Prince George go west of Prince George as far as Prince Rupert?—A. No. We are very unhappy about that situation at Prince Rupert. The only thing we have been able to do is to have a number of recordings made at Vancouver and locally relayed.

Q. Put it over the local station in Prince Rupert?—A. Yes. They get many recordings. Most of our educational work and special talks are sent there. We do not get much reaction from the public as to whether that service is appreciated or not.

Q. I get a lot of reaction—A. Yes, I know. Prince Rupert is really a very difficult problem. We do not reach it with CBR; we have no transmitter that gets up into the north, and therefore we fall back on feeding it with recorded programs recorded in Vancouver.

Q. Would it not be possible to extend the lines over the C.N.R. west to Prince Rupert?—A. We had an estimate of the cost of that. The estimated cost of that is \$35,000, and unfortunately the price is high for the listeners involved. If you will let me read you now the account of the programs that go there you will see that at the present time six and one-quarter hours a week of CBR services are recorded in Vancouver and sent to CFPR. The schedule of programs each week does not vary, but the chief normal arrangement features are added, British Columbia school broadcasts, Topics for To-day, Songs of the Empire,

South American Serenade, Stag Party, John Avison's Orchestra, and Isabel McEwan, Mountain Music from the Pacific, and Musical Frontier. It has been necessary to make a special arrangement with the musicians' union, which normally forbids this practice; but they have co-operated with us in view of the peculiarly isolated situation at Prince Rupert. When the service was inaugurated both the management and the people in Prince Rupert were pleased about it, including civic officials, but we have not had much response lately. I would be interested to know whether from the indications it is popular. I do not know whether these programs have been monitored—

Q. I have not heard anything since last week. We had an inspector up there a while ago and I was wondering if some improvements had been made.—

A. In terms of what we can do, practically at the moment it is to extend this business of recordings. Normally they go by air and therefore there is not very much delay in getting to Prince Rupert; but actually I think the proposal to spend \$35,000 has not been raised as a practical proposition.

Q. If the city wants to have that extension to whom would they apply?—

A. The Board of Governors; they deal with all matters of line extension.

Q. They make the final decision about such matters?—A. Yes.

Q. The Board of Governors?—A. Yes; that is a question of policy. It would cost \$35,000 a year.

Q. The dominion government also have a telegraph line which I think you are hooked up with now as far as Prince George. The dominion government line extends to Hazelton. Could not some arrangement be made with the same line as in the south?—A. There is some doubt as to whether they would carry the broadcasting. I am reminded that line, as you say, may be extended to Prince Rupert as a part of security measures, in which case it would definitely make it easier for us to improve this problem. That will be a way of solution.

Q. You are working on that problem?—A. Yes, we are alive to that; it is a necessary part of the line which goes to Prince George.

Q. Yes, quite.—A. A necessary part of our plan there, you see. Anyway, you can rest assured the needs and the difficulties of Prince Rupert are not being lost sight of.

Q. There is some improvement now over what it was before?—A. Yes.

Mr. GRAYDON: There is an American station at Ketchikan.

Mr. HANSON: Yes. They get the American station all right, but cannot get the Canadian ones the same.

By Mr. Hanson:

Q. Because of conditions which I should not mention there has been a tremendous increase in the population, and naturally there is more demand for it.—A. Might I ask you how big is the added population, is it doubling?

Q. About double.—A. There is also a relay transmitter at the same time planned for Edmundston, New Brunswick. As a result we hope to bring our program to a further 10,000 listeners in that province.

Q. I am informed by the Radio Committee of the Boards of Trade and Chambers of Commerce that only half of the radio owners in Prince Rupert are paying licence fees. They were claiming they could not get any Canadian programs, which is a condition that should not exist.—A. As listeners they have a grievance.

Q. I think it should be remedied.—A. The collection of licences is the responsibility of the Department of Transport. They certainly have my solicitude and sympathy, because they must feel a sense of being ignored at the present time. Anyway, we will do what we can about it.

Q. I hope that when the inspector was up there he got some information to give the management and the government.

By Mr. Hansell:

Q. I understand the reception is much better north and south than it is east and west. I wonder if that would have any effect upon the Prince Rupert station. I have heard it said and I think my experience with my own radio is that I can get stations in Texas and Mexico but I cannot get Edmonton which, of course, is only a couple of hundred miles away. I can get these stations, but I have never got Vancouver; I cannot get Winnipeg. I have not yet got the Watrous station, and I am just sixty miles south of Calgary. I understand there is some difficulty, I do not know whether it is ethereal— —A. You are in a pocket there, I suppose. There are pockets. That may be a secondary area of reception, just outside the primary area. How far would you be from Watrous?

Q. As the crow flies I do not suppose I would be more than 400 to 500 miles.—A. That is not a primary area.

Q. Is there anything in the suggestion that the reception is better north and south?—A. I should like to ask my authority on science, Dr. Frigon.

Dr. FRIGON: That applies to shortwave transmission; shortwave transmission is better north and south than it is east and west, but it does not affect the standard band broadcasting. That is all a matter of terrain and soil. You may be in some place where the conductivity is very low.

Q. I do not think that could apply to my home.

Dr. FRIGON: You are decidedly outside the primary area of Watrous. What you would get there is only a very weak ground signal. If you live anywhere near a place where there is interference from other sources you would have trouble getting good reception. If you are away from interference you might get it from the ground wave.

Q. There is no interference anywhere near where I live. I live at a very high altitude, not far from the foothills. I have heard that comment from other people in my own district, but in other places they seem to be able to get stations south and north. Of course, there are not very many stations north, but very seldom can we get Winnipeg, Moose Jaw, Saskatoon or Vancouver.

Dr. FRIGON: Strictly speaking you are outside the service area of Watrous. If you get any other station I would say it is accidental, it is not normal. There may be some reason, permanent reasons or otherwise, but you are not supposed to be served by Watrous.

Mr. HANSELL: No, I recognize that. The reason for my question was that in the case of Prince Rupert I fancy nearly all the Canadian broadcasts would come from the east.

Mr. HANSON: Vancouver.

Mr. HANSELL: Vancouver would be south.

Dr. FRIGON: Vancouver is stopped by the mountains north of Vancouver. That is very very typical. We find that the station does not get over the mountain range, it stops there.

Mr. COLDWELL: Is Mr. Murray finished?

The WITNESS: No. In carrying forward this plan and dealing with the results and the consequences, I have taken a little longer than I expected.

Mr. COLDWELL: I have no objection to it at all.

The WITNESS: In an attempt to meet certain other problems we erected last year three shortwave transmitters. CBFY of 7½ kilowatts at Vercheres, Quebec, gives a morning service to Australia and New Zealand—remember that is evening service “down under”, while the evening hours are filled by carrying French network programs beamed to the Prairies for the benefit of French listeners there.

CBFW (200 watts) also at Vercheres is intended to give service to French Canadian rural listeners in northern Quebec. The other 200 watter, CBRX in Vancouver, is operated for the benefit of listeners in the interior and northern coastal points of British Columbia.

It is too early yet to determine the full results and possibilities of these stations; but I can tell you that CBFY is well received in Australia and New Zealand. We have received a lot of mail from the Antipodes.

Programs

(4) In regard to programs, Canada is in the happy position of having at her disposal a wide variety of material both from outside and inside the country. The corporation's policy and practice appear to take advantage of this situation, while giving the maximum encouragement to Canadian talent. The plans for the King's visit are noted with approval. The committee especially endorses the corporation's proposals for a larger number of programs for rural listeners. It is felt that broadcasting can be an important agency of practical service to farmers, fishermen and other primary producers, and of bringing the riches of music, drama and other forms of entertainment and culture into their homes. Your committee also feels that the corporation can do much to instill an appreciation of the value and advantages of the rural way of life.

This section of the last committee's final report brings me to the point where program activities over the last three years should be surveyed.

The prime function of the corporation is to produce and broadcast programs. The whole assembly of offices, transmitters, wire lines, electrical equipment and of personnel including accountants, architects, announcers, engineers, writers, producers and so on, this whole array of material and personnel exists solely in order that the listener in his home may tune in his set at any hour of the day from 7.30 a.m. until midnight, and hear something in the way of entertainment or information.

Here are a few simple figures, in round numbers. In the year ending March 1939 we broadcast 19,000 sustaining programs, representing 7,000 broadcasting hours. By March of 1941 those figures had risen to 36,000 programs representing 12,000 hours of broadcasting; by the end of the last fiscal year, i.e., March 31, 1942, 40,000 programs, 12,500 hours. That is to say that whereas three years ago we were broadcasting on an average nineteen hours a day, during the intervening three years we have increased that figure to thirty-five hours a day; and that is not a new theory of time; not even an experiment in that strange book of Dunn's, making time twice over.

Now that may sound strange to you, but you must understand first that we have to cater for five time zones. A program originating from Toronto at 8.00 a.m. would reach the Pacific coast at 5 a.m.—not a good listening hour for most people. Similarly, when the eastern stations and studios close down at midnight, it is only 9 o'clock in Vancouver, and service for the Pacific coast must continue for another three hours. Another complication has been lack of uniformity in applying daylight saving time. This is now overcome at least for the period of the war.

Another factor which must be considered is that of providing suitable programs at suitable times for regional listening audiences. For instance, we have the French network catering to a French-speaking audience; while a number of French programs go to the national network, and many English programs are acceptable to French listeners, there remains the fact that for a good many hours a day one program may be going to the French and another

to the English network. Then take such a program as the Regional Farm broadcasts. They cannot all be broadcast simultaneously because the best time for this message to reach farmers is the midday period and from Atlantic to Pacific there are five noon-times. So when one region is getting its farm broadcast, we have to provide other program material for the rest of Canada. These illustrate why it is stated that we broadcast for thirty-five hours out of every twenty-four. The thirty-five hours are divided on an average as follows:—

six and a half hours to the national network,
seventeen and three-quarters hours to the regional network,
ten and three-quarters hours to the French network.

I should make it clear that these figures deal only with sustaining programs on networks; they do not take into account purely local broadcasts from C.B.C. stations, nor do they include any commercial programs. For commercial broadcasting we must add to these figures nearly 6,500 programs for the year, an additional six hours over and above the thirty-five hours a day already mentioned, bringing the total up to over forty-one hours every twenty-four.

Of course out of the 40,000 programs broadcast to Canadian networks during the year 1941-42, some came from outside sources, some six thousand from the U.S.A. and some three thousand from the B.B.C. A large number of the B.B.C. programs were produced and handled by the C.B.C. overseas unit; while the majority of others were picked up on shortwave, recorded at Ottawa and rebroadcast at times more convenient for listeners than those at which they were received. This particular part of our activities entails a great deal of work that the listener never thinks of. That is true of so much in this business of broadcasting. The listener presses a button and gets thirty minutes of entertainment. Then it is gone; it is ephemeral. But into that thirty minutes' entertainment went hours of work on the part of many trained people. Members of the committee might be interested if they could visit our local studios in the Chateau Laurier, and see for themselves how such popular programs as "With the Troops," "B.B.C. Newsreel," and "Britain Speaks" are handled and how many men and machine hours are involved in this sort of work. This is not a main production centre in an originating sense; it is a clearing house for the overseas transmission. It might interest you to see the studios at any time at your convenience.

Now as to the program policy for these 12,500 hours of broadcasting during the year.

As to the program policy apart from board directives, it seems to me that the following definition might be considered a useful working basis; if you could improve it I certainly would be grateful. It can be taken, of course, that fundamentally the C.B.C. should contribute to the maintenance and encouragement of the unity of Canada. How is this to be done? I suggest that through first-class entertainment providing diversion and bringing to Canada the best that can be created inside and brought from outside, all authentic and all worthwhile. That is the first step. We are in the show business primarily. We have to establish ourselves as good at that business. Secondly, there is the provision of useful information in palatable form for the general listener and for the specialized listener—the general talks, the farm programs and so on.

By Mr. Graydon:

Q. Does the average listener look for entertainment before anything else?—

A. Certainly; 95 per cent. I should not be dogmatic because I have always said there is no way of judging, but that is my instinct.

By Mr. Coldwell:

Q. In which category do the soap programs fall?—A. Entertainment, but that is another subject.

By Mr. Claxton:

Q. When you say, "95 per cent" you define entertainment pretty broadly, do you not?—A. Yes. Then we come to the stimulus of thought, which really means doing what we can to encourage independent thinking with a view to creating an attitude of understanding and tolerance. What we try to do is to inculcate a spirit of good Canadianism—a knowledge of and a reasonable pride in our new nationhood; our growingly part in the British Commonwealth; our strategic position in the new world—possibly the only substantial guarantee against an era of continental isolationism and competition leading to world war three. Broadcasting is the only medium in Canada through which a message, thought, or idea may be brought to the attention of practically the whole of the people at the same time.

To do the job properly two things are necessary. First, the confidence of the national audience. We must remove, so far as that is possible, any suspicion or doubt that we are merely a mouthpiece of, or controlled by the government of the day. Naturally we must act as one of the instruments through which the government can quickly inform the nation of new wartime policies, but at the same time it is vital that the C.B.C. should retain its independence and be free to provide equal opportunity, within reasonable limits, to those who hold and desire to express opposing views on matters of public concern.

And then, in the second place, we have to plan and create programs of such a kind as will remove, or at least modify sectional interests and racial prejudices; such programs as will serve to make the problems and outlook of one part of Canada more understandable to others, to bring the rural listener for instance into the same fold as the city dweller, and to bring about that mutual understanding and sympathy without which true unity cannot exist. Programs that will inspire the nation as a whole and every individual in it to greater effort; that will help to put everyone in the proper frame of mind to accept willingly the sacrifices that are inevitably our lot to-day; and that will stimulate and revive a deep-rooted consciousness of national unity. I set this out in some detail because there will be reference to the particular programs that are meant to be covered in this statement of policy and attitude.

Mr. GRAYDON: It is one o'clock, Mr. Chairman.

Mrs. CASSELMAN: I suppose it would not be out of order if I asked to have the rest of the report printed, or must it be put in verbally?

Mr. COLDWELL: I think we had better have it read.

Mr. GRAYDON: I think so.

Mr. COLDWELL: We won't be getting the report for some days.

The VICE-CHAIRMAN: It is now one o'clock and perhaps it is the desire of everyone present, particularly Major Gladstone Murray, to adjourn. He has about completed half his report and will require all the time of another meeting to finish it. What would be the desire of the committee with regard to the next meeting?

Mr. COLDWELL: Could we meet to-morrow?

The VICE-CHAIRMAN: If we met to-morrow and the witness completed his report it would be available to us for questioning, should you desire to put any questions to him, next week.

Mr. COLDWELL: I was going to suggest, if the witness has completed half or a little more than half his report, that we sit at 11 o'clock instead of 10.30. I have quite a lot of correspondence waiting for me in my office that I have not been able to look at this week.

The WITNESS: I think perhaps I can compress it and avoid digressing which I have been doing this morning.

Mr. GRAYDON: Digress all you like.

Mr. COLDWELL: Digress as much as you care to.

Mr. GRAYDON: Perhaps Major Murray can complete his report to-morrow and we can go on from there.

The VICE-CHAIRMAN: Then 11 o'clock will be all right for the members of the committee?

The committee adjourned to meet to-morrow at 11 o'clock a.m.

APPENDIX I

LIST OF CANADIAN BROADCASTING STATIONS AS OF NOVEMBER 2, 1936

Call sign	Location of transmitter	Owners	Freq. in kc/s	Authorized power in watts	Utilized power in watts
CFAC	Calgary, Alta. (Southam Bldg.)	South Western Publishers Ltd., Southam Bldg., Calgary, Alta.	930	100	100
CFCF	Montreal, P.Q. (Mount Royal Hotel)	Canadian Marconi Company, 211 St. Sacrament Street, Montreal, P.Q.	600	400	400
CFCH	North Bay, Ont. (Capital Theatre Bldg.)	R. H. Thompson, North Bay, Ont.	930	100	100
CFCN	Strathmore, Alta.	The Voice of the Prairies Ltd., Toronto General Trust Building, Calgary, Alta.	1,030	10,000	10,000
CFCO	Chatham, Ont. (William Pitt Hotel)	John George Baikie Beardall, Chatham, Ont.	630	100	100
CFCT	Victoria, B.C. (620 View Street)	Victoria Broadcasting Association, Victoria, B.C.	1,450	50	50
CFCX	Montreal, P.Q. (Mount Royal Hotel)	Canadian Marconi Company, 211 St. Sacrament Street, Montreal, P.Q.	6,005	75	75†
CFCY	Charlottetown, P.E.I. (Malpeque Road)	The Island Radio Broadcasting Company Limited, Charlottetown, P.E.I.	630	1,000	500
CFJC	North Kamloops, B.C. (MacKenzie Road)	Kamloops Sentinel Limited, Kamloops, B.C.	880	100	100
CFLC	Prescott, Ont. (Hoy Building)	Radio Association of Prescott, Hoy Building, Prescott, Ont.	930	100	100
CFNB	Fredericton, N.B. (Agricultural Bldg., University of N.B.)	James S. Neill & Sons, Limited, Fredericton, N.B.	550	1,000** 500†	1,000** 500†
CFPL	London, Ont. (Hotel London)	London Free Press Printing Company Limited, London, Ont.	730	100	100
CFPR	Prince Rupert, B.C. (536 2nd Avenue West)	Felix E. Batt, Prince Rupert, B.C.	580	50	50
CFQC	Saskatoon, Sask. (Exhibition Grounds)	A. A. Murphy and Sons Limited, Saskatoon, Sask.	840	1,000	1,000
CFRB	Lot 70, Township of King, 2nd Concession, Summit, South of Aurora, Ont.	Rogers Radio Broadcasting Company Limited, 622 Fleet Street, Toronto, Ont.	690	10,000	10,000
CFRC	Kingston, Ont. (Fleming Hall, Queen's University)	Queen's University, Department of Electrical Engineering, Kingston, Ont.	1,510	100	100
CFRN	Edmonton, Alta. (99th Avenue and 146th Street)	G. R. A. Rice, Edmonton, Alta.	960	100	100
CFRX	Lot 70, Township of King, 2nd Concession, Summit, South of Aurora, Ont.	Rogers Radio Broadcasting Company Limited, 622 Fleet Street, Toronto, Ont.	6,070	1,000	1,000†

† (Short wave.)

† Night.

** Day.

LIST OF CANADIAN BROADCASTING STATIONS AS OF NOVEMBER 2, 1936—Concluded

	Location of transmitter	Owners	Freq. in kc/s	Authorized power in watts	Utilized power in watts
Call sign					
CHAB	Moose Jaw, Sask. (Grant Hall Hotel).....	C.H.A.B. Limited, Moose Jaw, Sask.....	1,200	100	100
CHCK	Charlottetown, P.E.I. (Stanley Shaw and Peardon Building)	James Arthur Gesner, Charlottetown, P.E.I. R. T. Holman Limited, Summerside, P.E.I. La Patrie Publishing Co. Limited, Montreal, P.Q.	1,310 1,450 1,120	50 50 100	50 50 100
CHGS	Summerside, P.E.I. (Holman Building)				
CHLP	Montreal, P.Q. (180 St. Catherine St.)				
CHML	Lot 29, Concession 2, Township of Saltfleet, Ontario	Maple Leaf Radio Company Limited, Pigott Building, Hamilton, Ont.....	1,010	100	100
CHNC	New Carlisle, P.Q.....	Gaspeian Radio Broadcasting Co., New Carlisle, P.Q.....	960	1,000	1,000
CHNS	Bedford, N.S.....	Maritime Broadcasting Co. Limited, Halifax, N.S.....	930	1,000	1,000
CHRC	Quebec, P.Q. (Hotel Victoria)	C.H.R.C. Limited, Hotel Victoria, Quebec, P.Q.	580	100	100
CHSJ	Saint John, N.B. (Admiral Beatty Hotel)	New Brunswick Broadcasting Company Limited, Saint John, N.B.....	1,120	1,000** 500†	100
CHWK	Chilliwack, B.C. (Turpin Block)	Chilliwack Broadcasting Co. Limited, Chilliwack, B.C.....	780	100	100
CJAT	Lot 7189, Kootenay District, B.C.....	Kootenay Broadcasting Co. Limited, Trail, B.C.	910	1,000	1,000
CJCA	Belmont View, Alta.....	North Western Publishers Ltd., Edmonton, Alta.	730	1,000	1,000
CJCB	Sydney, N.S. (South Bar Highway)	N. Nathanson, 318 Charlotte St., Sydney, N.S.	1,240	1,000	1,000
CJCJ	Calgary, Alta. (2015 Salisbury Ave.)	Albertan Publishers Limited, Calgary, Alta. Stratford, Ont. (Windsor Hotel Annex)	690 1,210	100 50	100 50
CJCS	Aklavik, N.W.T.....	M. I. Higgins, Stratford, Ont.....			
CJCU	Yorkton, Sask. (Corner King St. and Laurier Avenue)	Northwest Territories and Yukon Branch Dep't of the Interior, Ottawa, Ont.....	1,210	50	50
CJGX	Township of Tarenterus, District of Algoma, Ontario	James Richardson and Sons, Limited, Winnipeg, Man.....	1,300	100	100
CJIC	Kirkland Lake, Ontario. (1 Government Road) ..	J. C. Whitby and J. G. Hyland, Sault Ste. Marie, Ont.....	1,500	100	100
CJKL	Yarmouth, N.S. (Grand Hotel)	Northern Broadcasting Co. Limited, North Bay, Ont.....	1,310 1,310 950	100 100 100	100 100 100
CJLS	Lethbridge, Alta. (Marquis Hotel)	Laurie L. Smith, Yarmouth, N.S.....			
CJOC	Sea Island, B.C. (Block 20, No. 13 Road)	H. R. Carson Limited, Lethbridge, Alta....			
CJOR	Middlechurch, Man.....	George Clarke Chandler, Hotel Grosvenor, Vancouver, B.C.....	600	500	500
CJRC		James Richardson and Sons Limited, Winnipeg, Man.....	630	1,000** 500†	1,000** 500†

CJRM	Belleplaine, Sask.....	James Richardson and Sons Limited, Winnipeg, Man.....	540	1,000	1,000
CJRO	Middlechurch, Man.....	James Richardson and Sons Limited, Winni- peg, Man.....	6,150	2,000	2,000†
CJRX	Middlechurch, Man.....	James Richardson and Sons Limited, Winni- peg, Man.....	11,720	2,000	2,000†
CKAC	St. Hyacinthe, P.Q.....	La Presse Publishing Co. Ltd., Montreal, P.Q.....	730	5,000	5,000
CKBI	Prince Albert, Sask. (2nd Ave. & 36th St.).....	Prince Albert Radio Club, Prince Albert, Sask.....	1,210	100	100
CKCD	Vancouver, B.C. (Daily Province Bldg.).....	Vancouver Daily Province, Vancouver, B.C.	1,010	100	100
CKCH	Hull, P.Q. (St. Joseph Blvd.).....	La Cie de Radiodiffusion CKCH Limitee, Hull, P.Q.....	1,210	100	100
CKCK	Regina, Sask. (1853 Hamilton St.).....	Leader-Post Limited, Regina, Sask.....	1,010	500	500
CKCL	Toronto, Ontario (90 Trinity Street).....	Dominion Battery Company Limited, 444 University Avenue, Toronto, Ont.....	580	100	100
CKCO	Boom Island, P.Q.....	Dr. G. M. Geldert, 272 Somerset St. West, Ottawa, Ont.....	1,010	100	100
CKCR	Waterloo, Ontario (24 King St. South).....	William C. Mitchell and Gilbert Liddle, Waterloo, Ont.....	1,510	100	100
CKCV	Quebec, P.Q. (254, avenue Marguerite Bourgeoise).....	C.K.C.V. Limitee, Quebec, P.Q.....	1,310	100	100
CKCW	Moncton, N.B. (Shediac Road).....	Moncton Broadcasting Company Limited, Moncton, N.B.....	1,370	100	100
CKFC	North Vancouver, B.C.....	United Church of Canada, Hemlock & 12th Ave., Vancouver, B.C.....	1,410	50	50
CKGB	Timmins, Ontario (3 Spruce St. North).....	R. H. Thomson, North Bay, Ont.....	1,420	100	100
CKIC	Wolfville, N.S. (Acadia University Administration Bldg.).....	Acadia University, Wolfville, N.S.....	1,010	50	50
CKLW	Sandwich South Twp., Essex County, Ontario....	Western Ontario Broadcasting Company Ltd., Guaranty Trust Bldg., Windsor, Ont.	1,030	5,000	5,000
CKMC	Cobalt, Ontario (East Side).....	R. L. MacAdam, Cobalt, Ont.....	1,210	50	7.5
CKMO	Vancouver, B.C. (Bekins Bldg.).....	Sprott-Shaw Radio Company, Bekins Bldg., Vancouver, B.C.....	1,410	100	100
CKNX	Wingham, Ont. (Josephine St.).....	The Wingham Radio Club, Wingham, Ont.	1,200	50	50
CKOC	Fruitland, Ont.....	Wentworth Radio Broadcasting Co., Ltd., Wentworth Bldg., Hamilton, Ont.....	1,120	1,000**	1,000**
CKOV	Kelowna, B.C. (Water St. & Mill Ave.).....	Okanagan Broadcasters Limited, Kelowna, B.C.....	630	500†	500†
CKPC	Brantford, Ont. (Mohawk Institute Property)....	Telephone City Broadcast Limited, Brantford, Ont.....	930	100	100
CKPR	Port Arthur, Ont. (537-12th Avenue).....	Dougal Motor Car Company Limited, Royal Edward Hotel, Fort William, Ont.	730	100	100
CKSO	Neelon Township, Ont.....	W. E. Mason, Sudbury, Ont.....	780	1,000	1,000
CKTB	St. Catharines, Ont. (Lot 19, Rifle Range).....	E. T. Sandell, St. Catharines, Ont.....	1,200	100	100

† Night.

‡ (Short wave.)

** Day.

LIST OF CANADIAN BROADCASTING STATIONS AS OF NOVEMBER 2, 1936—Continued

Call sign	Location of transmitter	Owners	Freq. in kc/s	Authorized power in watts	Utilized power in watts
CKUA	Edmonton, Alta. (University of Alberta Campus)	University of Alberta, Edmonton, Alta.	580	500	500
CKWX	Vancouver, B.C. (1220 Seymour St.)	Western Broadcasting Company, Limited, Vancouver, B.C.	1,010	100	100
CKX	Brandon, Man. (Eighth Street)	Manitoba Telephone System, Winnipeg, Man.	1,120	100	100
CKY	Headingley, Man.	Manitoba Telephone System, Winnipeg, Man.	910	15,000	15,000
CRCK	Charlesburg, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	1,050	1,000	1,000
CRCM	LaPrairie, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	910	5,000	5,000
CRCO	Hawthorne, Ont.	Canadian Broadcasting Corporation, Ottawa, Ont.	880	1,000	1,000
CRCs	Chicoutimi, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	950	100	100
CRCT	Bowmanville, Ont. (End 3rd Concession East)	Canadian Broadcasting Corporation, Ottawa, Ont.	840	5,000	5,000
CRCV	Vancouver, B.C. (Lansdowne Park, Lulu Island)	Canadian Broadcasting Corporation, Ottawa, Ont.	1,100	5,000	5,000
CRCW	Sandwich South Twp., Essex County, Ont.	Canadian Broadcasting Corporation, Ottawa, Ont.	600	1,000** 500†	1,000** 500†
CRCX	Bowmanville, Ont. (3rd Concession East)	Canadian Broadcasting Corporation, Ottawa, Ont.	6,090	1,000	500†
CRCY	Toronto, Ontario (805 Davenport Road)	Canadian Broadcasting Corporation, Ottawa, Ont.	1,420	100	100
VE9BJ	Saint John, N.B. (Admiral Beatty Hotel)	New Brunswick Broadcasting Co. Ltd., Saint John, N.B.	6,030	50	Inactive†
VE9CA	Strathmore, Alta.	The Voice of the Prairies Ltd., Toronto, General Trust Bldg., Calgary, Alta.	6,030	100	45†
VE9CS	Vancouver, B.C.	United Church of Canada, 12th Ave. and Hemlock St., Vancouver, B.C.	6,080	10	10†
VE9EH	Charlottetown, P.E.I.	Island Radio Broadcasting Co. Ltd., Charlottetown, P.E.I.	6,080	250	Inactive†
VE9HX	Bedford, N.S.	Wm. C. Borrett for Station CHNS, Lord Nelson Hotel, Halifax, N.S.	6,130	500	100†

† Night.

‡ (Short wave.)

** Day.

CHANGES IN CANADIAN BROADCASTING STATIONS NOVEMBER 2, 1936, TO MARCH 31, 1942

CFAC—Authorized to increase power to 1000 watts, May 18, 1937. Commenced operating with 1000 watts, October 12, 1937, at new site seven miles East of Calgary. Changed frequency to 960 Kc/s, March 29, 1941. Name of owner changed to "The Southam Company Limited, 1070 Bleury Street, Montreal, P.Q.", December 31, 1941.

CFCF—Authorized to increase power to 500 watts, July 16, 1937. Commenced operating with 500 watts, July 17, 1937.

CFCH—Authorized to increase power to 250 watts, January 25, 1939. Changed frequency to 1230 Kc/s, March 29, 1941. Authorized to increase power to 1000 watts with directional antenna, April 28, 1941, 1000 watt station under construction at present.

CFCN—Changed frequency to 1010 Kc/s, March 29, 1941.

CFCT—Authorized to increase power to 500 watts, May 27, 1937. Commenced operating with 500 watts, January 10, 1939, at new site on Midwood Road, near Victoria, B.C. Changed frequency to 1480 Kc/s, March 29, 1941. Call sign changed to CJVI, October 7, 1941, and name of owner changed to "Island Broadcasting Company Limited, 701 Central Building, Victoria, B.C.", October 7, 1941.

CFCY—Commenced operating with 1000 watts, July 12, 1937.

CFJC—Authorized to increase power to 1000 watts, April 20, 1937. Commenced operating with 1000 watts, October 21, 1937. Changed frequency to 910 Kc/s, March 29, 1941.

CFLC—Changed frequency to 1450 Kc/s, March 29, 1941.

CFNB—Authorized to operate with power of 1000 watts day and night effective immediately, November 7, 1938.

CFPL—Authorized to increase power to 1000 watts with directional antenna, February 7, 1941. Changed frequency to 1570 Kc/s, March 29, 1941. Commenced operating with 1000 watts directional antenna at new site at Westminster, Ont., near London, October 1, 1941.

CFPR—Changed frequency to 1240 Kc/s, March 29, 1941.

CFQC—Changed frequency to 600 Kc/s, February 21, 1939.

CFRB—Changed frequency to 860 Kc/s, March 29, 1941.

CFRC—Changed frequency to 1490 Kc/s, March 29, 1941.

CFRN—Authorized to increase power to 500 watts, July 16, 1938. Authorized to increase power to 1000 watts, February 7, 1941. Changed frequency to 1260 Kc/s, March 29, 1941. Commenced operating with 1000 watts, November 3, 1941.

CHAB—Authorized to increase power to 250 watts day only, April 7, 1938. Commenced operating with 250 watts day, 100 watts night, April 9, 1938. Authorized to increase power to 1000 watts, February 2, 1941. Changed frequency to 1220 Kc/s, March 29, 1941. Commenced operating with 1000 watts at new site at Boharm, Sask., near Moose Jaw, March 29, 1941.

CHCK—Changed frequency to 1340 Kc/s, March 29, 1941. Station closed down early in 1941 and licence expired March 31, 1942.

CHGS—Authorized to increase power to 100 watts, May 22, 1940. Commenced operating with 100 watts, July 24, 1940. Frequency changed to 1480 Kc/s, March 29, 1941.

CHLP—Changed frequency to 1490 Kc/s, March 29, 1941. Authorized to increase power to 250 watts, April 28, 1941, new station now under construction.

CHML—Changed frequency to 900 Kc/s, March 29, 1941. Authorized to increase power to 1000 watts, March 29, 1941. Commenced operating with 1000 watts at new site $\frac{3}{4}$ mile West of Aldershot, near Hamilton, August 30, 1941.

CHNC—Changed frequency to 610 Kc/s, January 1, 1939.

CHNS—Changed frequency to 960 Kc/s, March 29, 1941.

CHRC—Changed frequency to 1400 Kc/s, March 29, 1941. Authorized to increase power to 1000 watts, April 28, 1941. Authorized to operate with 250 watts power on a temporary basis, September 9, 1941. Commenced operating with power of 250 watts on the frequency of 800 Kc/s, at new site Ste Foye, P.Q., near Quebec City, September 21, 1941.

CHSJ—Authorized to operate with 1000 watts day and night, February 5, 1940. Commenced operating with 1000 watts at new site at Coldbrook near Saint John, N.B., September 5, 1940. Changed frequency to 1150 Kc/s, March 29, 1941.

CHWK—Authorized to increase power to 250 watts, May 11, 1938. Changed frequency to 1340 Kc/s, March 29, 1941.

CJAT—Changed frequency to 610 Kc/s, March 29, 1941.

CJCA—Changed frequency to 930 Kc/s, March 29, 1941. Name of owner changed to "The Southam Company Limited, 1070 Bleury Street, Montreal, P.Q.", December 31, 1941.

CJCB—Name of owner changed to "Eastern Broadcasters Limited, 312 Charlotte Street, Sydney, N.S.", November 17, 1937. Changed frequency to 1270 Kc/s, March 29, 1941.

CJCJ—Name of owner changed to "The Albertan Publishing Company, Limited, Calgary, Alberta", August 25, 1939. Changed frequency to 1230 Kc/s, March 29, 1941.

CJCS—Changed frequency to 1240 Kc/s, March 29, 1941.

CJCU—Licence expired March 31, 1939, not renewed.

CJGX—Authorized to increase power to 1000 watts, January 24, 1939. Changed frequency to 1430 Kc/s and commenced operating with power of 1000 watts, February 2, 1939. Name of owner changed to "Yorkton Broadcasting Company, Limited, Yorkton, Saskatchewan", February 28, 1939. Changed frequency to 1460 Kc/s, March 29, 1941. Transmitter in operation at new site corner Broadway Street and Dracup Avenue, near Yorkton, Saskatchewan, November 24, 1941.

CJIC—Changed frequency to 1490 Kc/s, March 29, 1941. Authorized to increase power to 250 watts, April 28, 1941. Commenced operating with 250 watts at new site, Township of Korah, near Sault Ste. Marie, Ontario, May 3, 1941.

CJKL—Authorized to increase power to 1000 watts, November 9, 1938. Commenced operating with 1000 watts on the frequency of 560 Kc/s at new site at Dane, Ontario, $5\frac{1}{2}$ miles South of Kirkland Lake, Ontario, September 22, 1939. Name of owner changed to "Northern Broadcasting & Publishing Limited, Timmins, Ontario", May 14, 1941.

CJLS—Changed location of transmitter to 529 Main Street, Yarmouth, Nova Scotia, April 5, 1938. Changed frequency to 1340 Kc/s, March 29, 1941.

CJOC—Changed frequency to 1210 Kc/s, April 1, 1939. Changed frequency to 1370 Kc/s, March 24, 1940. Authorized to increase power to 250 watts, October 16, 1940. Changed frequency to 1400 Kc/s, March 29, 1941. Authorized to increase power to 1000 watts, October 15, 1941.

CJOR—Name of owner changed to "C.J.O.R. Limited", January 1, 1939. Authorized to increase power to 1000 watts, October 16, 1939. Commenced operating with 1000 watts at new site on Lulu Island, near Vancouver, B.C., August 1, 1940.

CJRC—Authorized to operate with a power of 1000 watts day and night, effective immediately, July 17, 1938. Name of owner changed to "Transcanada Communications Limited, 157 Royal Alexandra Hotel, Winnipeg, Man.", March 29, 1940.

CJRM—Transmitter moved to Pilot Butte, Sask., October 1, 1938. Changed frequency to 950 Kc/s, April 2, 1939. Name of owner changed to "Transcanada Communications Limited, 157 Royal Alexandra Hotel, Winnipeg, Man.", March 29, 1940. Frequency changed to 980 Kc/s, and location of transmitter changed to NE $\frac{1}{4}$ Sec. 11, Twp. 18, Range 19, West 2nd Mer., Regina, Sask., March 29, 1941.

CJRO—Name of owner changed to "Transcanada Communications Limited, 157 Royal Alexandra Hotel, Winnipeg, Man.", March 29, 1940.

CJRX—Name of owner changed to "Transcanada Communications Limited, 157 Royal Alexandra Hotel, Winnipeg, Man.", March 29, 1940.

CKBI—Authorized to increase power to 250 watts, February 6, 1940. Commenced operating with 250 watts, March 23, 1940. Authorized to increase power to 1000 watts, March 29, 1941. Changed frequency to 900 Kc/s, March 29, 1941. Name of owner changed to "Central Broadcasting System, Limited, Prince Albert, Sask.", April 26, 1941. Commenced operating with 1000 watts at new site seven miles South of Prince Albert, Sask., July 19, 1941.

CKCD—Station closed down January 31, 1940.

CKCH—Name of owner changed to "La Cie de Radiodiffusion de Hull, Limitée, Hull, P.Q.", April 1, 1937. Changed frequency to 1240 Kc/s, March 29, 1941. Name of owner changed to "La Compagnie de Radiodiffusion CKCH, Le Droit, Limitée, Hull, P.Q.", July 17, 1941.

CKCK—Authorized to increase power to 1000 watts, March 8, 1937. Commenced operating with 1000 watts, July 27, 1937, with transmitter at new site at NE $\frac{1}{4}$ Sec. 11, Twp. 18, Range 19, West 2nd Mer., Sask. Changed frequency to 620 Kc/s, March 29, 1941, and location of transmitter to Pilot Butte, Sask.

CKCL—Authorized to increase power to 1000 watts with directional antenna, February 6, 1940. Commenced operating with 1000 watts directional antenna at new site, Township of Scarboro, Ont., July 26, 1940.

CKCO—Changed frequency to 1340 Kc/s, March 29, 1941. Authorized to increase power to 1000 watts with directional antenna, April 28, 1941. Changed frequency to 1310 Kc/s, September 30, 1941. Commenced operating with 1000 watts day, 250 watts night, October 3, 1941, at new site, Brickyard Road, Township of Hull, P.Q. Authorized to operate with power of 1000 watts day non-directional and night directional antenna, effective immediately, December 10, 1941.

CKCR—Changed frequency to 1490 Kc/s, March 29, 1941. Authorized to increase power to 250 watts, April 28, 1941. Commenced operating with 250 watts at new site, corner River Drive and Guelph Street, Township of Waterloo, January 28, 1942.

CKCV—Changed frequency to 1340 Kc/s, March 29, 1941.

CKCW—Changed frequency to 1400 Kc/s, March 29, 1941. Authorized to increase power to 250 watts, August 21, 1941. Commenced operating with 250 watts, August 26, 1941.

CKFC—Name of owner changed to "Standard Broadcasting System, Limited, Vancouver, B.C.," April 1, 1938. Station closed down February 29, 1940.

CKGB—Authorized to increase power to 1000 watts, November 9, 1938. Changed frequency to 1440 Kc/s, April 13, 1939. Commenced operating with 1000 watts at new site, Township of Mountjoy, 2 miles West of Timmins, November 25, 1939. Changed frequency to 1470 Kc/s, March 29, 1941.

CKIC—Station closed down. Licence expired, March 31, 1940.

CKLW—Changed frequency to 800 Kc/s, March 29, 1941.

CKMC—Authorized to increase power to 100 watts, November 9, 1938. Changed frequency to 1240 Kc/s, March 29, 1941.

CKNX—Authorized to increase power to 100 watts, September 4, 1937. Commenced operating with 100 watts, November 1, 1937. Authorized to increase power to 1000 watts with directional antenna, April 15, 1941. Changed frequency to 1230 Kc/s, March 29, 1941. Changed frequency to 920 Kc/s, April 15, 1941. Authorized to commence operating with 1000 watts power non-directional day and directional antenna night at new site No. 4 Highway South of Wingham, Ont., effective immediately, February 2, 1942.

CKOC—Changed frequency to 1150 Kc/s, March 29, 1941.

CKOV—Authorized to increase power to 1000 watts, April 2, 1938. Commenced operating with 1000 watts at new site Lot F240-5 Kelowna, B.C., November 6, 1938.

CKPC—Changed frequency to 1380 Kc/s, March 29, 1939.

CKPR—Authorized to increase power to 1000 watts, April 1, 1938. Commenced operating with 1000 watts on frequency of 580 Kc/s, at new site corner 14th Avenue and Memorial Blvd., Port Arthur, Ont., October 16, 1938.

CKSO—Changed frequency to 790 Kc/s, March 29, 1941.

CKTB—Changed frequency to 1230 Kc/s, March 29, 1941. Authorized to increase power to 1000 watts, April 15, 1941. Commenced operating with 1000 watts on frequency 1550 Kc/s, December 9, 1941.

CKUA—Authorized to increase power to 1000 watts, April 28, 1941. Commenced operating with 1000 watts at new site, SE $\frac{1}{4}$ Sec. 5, Township 52, Range 24, West of 4th Mer., Edmonton, Alta., May 23, 1941.

CKWX—Authorized to increase power to 1000 watts, February 12, 1940. Commenced operating with 1000 watts on frequency of 950 Kc/s at new site on Lulu Island, near Vancouver, B.C., about June 30, 1940. Changed frequency to 980 Kc/s, March 29, 1941.

CKX—Authorized to increase power to 1000 watts, March 8, 1937. Commenced operating with 1000 watts, May 10, 1937. Changed frequency to 1150 Kc/s, March 29, 1941.

CKY—Changed frequency to 960 Kc/s, September 15, 1937. Changed frequency to 910 Kc/s, October 15, 1937. Changed frequency to 990 Kc/s, March 29, 1941.

CRCK—Changed frequency to 950 Kc/s September 15, 1937. Changed call sign to CBV September 25, 1938. Changed frequency to 980 Kc/s March 29, 1941.

CRCM—Changed call sign to CBM October 20, 1937. Changed frequency to 960 Kc/s February 26, 1939. Location of transmitter changed to Marieville, P.Q., April 1, 1940. Changed frequency to 940 Kc/s March 29, 1941.

CRCO—Changed call sign to CBO October 1, 1937. Changed frequency to 910 Kc/s March 29, 1941.

CRCS—Changed frequency to 1120 Kc/s September 15, 1937. Changed call sign to CBJ October 16, 1938. Changed frequency to 1240 Kc/s March 29, 1941. Authorized to increase power to 1000 watts August 8, 1941. Authorized to operate temporarily on 250 watts, effective immediately, February 7, 1942. Changed frequency to 1580 Kc/s March 22, 1942.

CRCT—Closed down June 20, 1938.

CRCV—Changed call sign to CBR October 1, 1937. Changed frequency to 1130 Kc/s March 29, 1941.

CRCW—Changed call sign to CBW October 1, 1937. Closed down February 21, 1938.

CRCX—Closed down June 20, 1938.

CRCY—Changed frequency to 960 Kc/s October 15, 1937. Changed call sign to CBY November 1, 1938. Changed frequency to 1420 Kc/s February 25, 1939. Authorized to increase power to 1000 watts directional antenna December 31, 1940, on frequency 1010 Kc/s. Commenced operating with 1000 watts directional antenna at new site on Dundas Highway, near Dixie, Ont., July 1, 1941.

VE9BJ—Licence expired March 31, 1938.

VE9CA—Call sign changed to CFVP April 1, 1938. Commenced operating with full power 100 watts December 30, 1938.

VE9CS—Call sign changed to CKFX April 1, 1938. Name of owner changed to "Standard Broadcasting System, Limited, 1504 Sun Building, Vancouver, B.C.", April 30, 1938. Name of owner changed to "Western Broadcasting Company, Limited, Hotel Georgia, Vancouver, B.C.", April 1, 1940.

VE9EH—Licence expired March 31, 1938.

VE9HX—Call sign changed to CHNX and name of owner changed to "Maritime Broadcasting Company, Limited, Halifax, N.S." April 1, 1938. Commenced operating with 500 watts February 18, 1937.

LIST OF NEW STATIONS AND CHANGES THERETO AUTHORIZED FROM NOVEMBER 1, 1936, TO MARCH 31, 1942

List III

Call Sign	Location of Transmitter	Owners	Authorized Freq. in Kc/s	Authorized Power in Watts	Utilized Power in Watts	Date Commenced Operating
CBA	Sackville, N.B.	Canadian Broadcasting Corporation, Ottawa...	1050	50,000	50,000	April 8, 1939.
	Changed frequency to 1070 Kc/s, March 29, 1941.					
CBF	Vercheres, P.Q.	Canadian Broadcasting Corporation, Ottawa...	910	50,000	50,000	December 11, 1937.
	Changed frequency to 690 Kc/s, March 29, 1941.					
CBFW	Vercheres, P.Q.	Canadian Broadcasting Corporation, Ottawa. (Short wave).	6160	7,500	7,500	February 6, 1941.
	Changed frequency to 6090 Kc/s, July 16, 1941.					
CBFX	Vercheres, P.Q.	Canadian Broadcasting Corporation, Ottawa. (Short wave.)	9630	7,500	7,500	One physical station.
CBFY	Vercheres, P.Q.	Canadian Broadcasting Corporation, Ottawa. (Short wave.)	11705	7,500	7,500	
CBFZ	Vercheres, P.Q.	Canadian Broadcasting Corporation, Ottawa. (Short wave.)	15190	7,500	7,500	
CBK	Near Watrous, Sask.	Canadian Broadcasting Corporation, Ottawa.	540	50,000	50,000	July 29, 1939.
CBL	Hornby, Ont.	Canadian Broadcasting Corporation, Ottawa. Changed frequency to 740 Kc/s, March 29, 1941.	840	50,000	50,000	December 25, 1937.
CBRX	Lulu Island, B.C.	Canadian Broadcasting Corporation, Ottawa. (Short wave.)	6160	150	150	October 27, 1941.
CFAR	120 Main St., Flin Flon, Man.	Monty's Radio Service, 120 Main St., Flin Flon, Man.	1370	100	100	November 14, 1937.
	Name of owner changed to Arctic Radio Corp., Ltd., 120 Main St., Flin Flon. September 29, 1937.					
	Changed frequency to 1400 Kc/s, March 29, 1941.					
	Authorized to increase power to 250 watts, December 9, 1941.					
CFGP	SE $\frac{1}{4}$ Sec. 2 Twp. 72 Range 6 W2nd Mer., Grande Prairie, Alta.	Cecil Berry, 14208-100th Ave., Edmonton, Alta.	1200	100	100	November 2, 1937.
	Name of owner changed to Northern Broadcasting Corp., Ltd., 906 McLeod Building, Edmonton, June 25, 1937.					
	Changed frequency to 1310 Kc/s, March 20, 1940.					
	Changed frequency to 1340 Kc/s, March 29, 1941.					
	Authorized to increase power to 250 watts, March 2, 1939.					
	Commenced operating on 250 watts, June 8, 1941.					
CFOS	904 Second Ave. E., Owen Sound, Ont.	H. Fleming, Owen Sound Sun Times, Owen Sound, Ont.	1370	100	100	March 1, 1940.
	Location of Transmitter changed to Lot 12, Concession 12, Sydenham Township, Ont., June 29, 1940.					
	Changed frequency to 1400 Kc/s, March 29, 1941.					
	Authorized to increase power to 250 watts, February 11, 1941.					
	Commenced operating on 250 watts, March 29, 1941.					

CHEX	2 miles South East City of Peterborough Examiner, Peterborough, Ont.... Name of owner changed to Peterborough Broadcasting Company, Limited, Peterborough, Ont., December 8, 1941.	1430	1,000DA	1,000DA	March 31, 1942.
CHGB	Main St., Ste. Anne de la Pocatiere, G. Thomas Desjardins, Ste. Anne de la P.Q. Changed frequency to 1230 Kc/s, March 29, 1941. Authorized to increase power to 250 watts, April 8, 1941. Commenced operating on 250 watts, May 30, 1941.	1200	100	100	October 4, 1938.
CHLN	Three Rivers, P.Q..... Changed frequency to 1450 Kc/s, March 29, 1941.	1420	100	100	October 17, 1937.
CHLT	Part Lots 21G and 21H 6, Range of La Tribune Limitee, 3 Marquette St., Ascot, Sherbrooke, P.Q. Changed frequency to 1240, March 29, 1941. Authorized to increase power to 250 watts, November 18, 1938. Commenced operating on 250 watts, July 16, 1941.	1210	100	100	June 29, 1937.
CHNB	..... C. R. McIntosh, North Battleford, Sask.....	.....	100	.....	Station never established Licence lapsed 1-4-39.
CHOV	Pembroke, Ont..... D. A. Jones, Rouyn, P.Q.....	1340	250	.....	Station under construction.
CHPS	Parry Sound, Ont..... Gordon E. Smith, Brantford, Ont.....	1450	250	.....	Construction of station not yet started.
CJBR	Parish Notre Dame du Sacre-Coeur, Rimouski Co., P.Q. Changed frequency to 900, March 29, 1941.	1030	1,000	.....	January 13, 1938.
CJCX	South Bar Road near Sydney, N.S. N. Nathanson, 318 Charlotte St., Sydney, N.S. Name of owner changed to Eastern Broadcasters Limited, Sydney, N.S., November 17, 1937.	6010 (Short wave)	1,000	1,000	April 1, 1937.
CJFX	Antigonish, N.S..... St. Francis Xavier University, Antigonish, N.S. Name of owner changed to Atlantic Broadcasters Limited, Antigonish, N.S., November 17, 1941.	580	1,000	.....	Station under construction.
CJHC	Halifax, N.S..... Chronicle Company Limited, Halifax, N.S.....	1290	1,000	.....	Station never established Licence lapsed 1-4-39.
CJMH	Medicine Hat, Alta..... J. Harlan Yuill, Medicine Hat, Alta.....	1490	100	.....	Applied for extension of time on construction.
CKCA	Township of Jaffray, Kenora, Ont.. Name of owner changed to Kenora Broadcasting Co., Ltd., Kenrichia Hotel, Kenora, Ont., November 2, 1938. Authorized to increase power to 250 watts Day and 100 Night, on November 2, 1938. Changed frequency to 1450 Kc/s on March 29, 1941.	1420	100	250 Day 100 Night	February 18, 1939.

LIST OF NEW STATIONS AND CHANGES THERETO AUTHORIZED FROM NOVEMBER 1, 1936, TO MARCH 31, 1942.

LIST III

Call Sign	Location of Transmitter	Owners	Authorized Freq. in Kc/s	Authorized Power in Watts	Utilized Power in Watts	Date Commenced Operating
CKLN	Nelson, B.C. Name of owner changed to News Publishing Co., Ltd., Nelson, B.C., January 24, 1940. Changed frequency to 1450 Kc/s, March 29, 1941. Changed frequency to 1240 Kc/s, September 27, 1941. Authorized to increase power to 250 watts, October 15, 1941.	F. F. Payne, Nelson, B.C.	1420	100	100	December 15, 1939.
CKNB	Campbellton, N.B. Changed frequency to 1240 Kc/s, March 29, 1941. Authorized to increase power to 1,000 watts, April 28, 1941. Commenced operating on 1,000 watts, April 1, 1942. Location of Transmitter changed to 4 miles east of Campbellton, N.B., April 1, 1942. Changed frequency to 950 Kc/s, April 1, 1942.	Dr. Chas. Houde, New Carlisle, P.Q.	1210	100	100	December 27, 1939.
CKRC	421 2nd St. E., Revelstoke, B.C. Ceased operating, October 7, 1940.	Wilfred Reginald Sherwood, Revelstoke, B.C.	1500	100	60	June 27, 1940.
CKRN	Reilly Hardware Bldg., Rouyn, P.Q. Authorized to increase power to 250 watts, October 26, 1939. Commenced operating on 250 watts, October 28, 1939. Changed frequency to 1400 Kc/s, March 29, 1941.	La Compagnie de Radiodiffusion, Rouyn-Noranda Ltée., Rouyn, P.Q.	1370	100	100	February 9, 1939.
CKVD	590 Third Ave., Val d'Or, P.Q. Changed frequency to 1230 Kc/s, March 29, 1941. Authorized to increase power to 250 watts, February 11, 1942.	LaVoix d'Abitibi Compagnie, Limitee, Val d'Or, P.Q.	1200	100	100	November 25, 1939.
CKWS	Wolfe Island, Kingston, Ont. Name of owner changed to Allied Broadcasting Corporation Ltd., Kingston, Ont., December 8, 1941.	The Whig-Standard, Kingston, Ont.	960	1,000	—	Station under construction.

LIST OF CANADIAN BROADCASTING STATIONS AS OF MARCH 31, 1942

Call sign	Location of transmitter	Owners	Freq. in kc/s	Authorized power in watts	Utilized power in watts
*CBA	Sackville, N.B.	Canadian Broadcasting Corporation, Ottawa, Ont.	1,070	50,000	50,000
*CBF	Vercheres, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	690	50,000	50,000
CBFW	Vercheres, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	6,090	7,500	7,500†
CBFX	Vercheres, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	9,630	7,500	7,500†
CBFY	Vercheres, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	11,705	7,500	7,500†
CBFZ	Vercheres, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	15,190	7,500	7,500†
*CBJ	Chicoutimi, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	1,580	1,000	250
*CBK	Watrous, Sask.	Canadian Broadcasting Corporation, Ottawa, Ont.	540	50,000	50,000
*CBL	Hornby, Ont.	Canadian Broadcasting Corporation, Ottawa, Ont.	740	50,000	50,000
*CBM	Marieville, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	940	5,000	5,000
*CBO	Hawthorne, Ont.	Canadian Broadcasting Corporation, Ottawa, Ont.	910	1,000	1,000
*CBR	Lulu Island, B.C.	Canadian Broadcasting Corporation, Ottawa, Ont.	1,130	5,000	5,000
CBRX	Lulu Island, B.C.	Canadian Broadcasting Corporation, Ottawa, Ont.	6,160	150	150†
*CBV	Charlesbourg, P.Q.	Canadian Broadcasting Corporation, Ottawa, Ont.	980	1,000	1,000
CBY	Somerville, Ont.	Canadian Broadcasting Corporation, Ottawa, Ont.	1,010	1,000 DA	1,000 DA
*CFAC	NW. 4 Sec. 7, Twp. 24, Range 28, W. 4th Mer., Calgary, Alta.	The Southam Company Limited, 1070 Bleury Street, Montreal, P.Q.	960	1,000	1,000
CFAR	Flin Flon, Man.	Aretic Radio Corporation, 120 Main Street, Flin Flon, Man.	1,400	250	100
CFCF	Montreal, P.Q.	Canadian Marconi Company Limited, 211 St. Sacrament Street, Montreal, P.Q.	600	500	500
*CFCH	North Bay, Ont.	R. H. Thomson, Capitol Theatre Building, North Bay, Ont.	1,230	1,000 DA	100

* National network stations.

† (Short wave.)

LIST OF CANADIAN BROADCASTING STATIONS AS OF MARCH 31, 1942—Continued

Call sign	Location of transmitter	Owners	Freq. in kc/s	Authorized power in watts	Utilized power in watts
CFCN	Strathmore, Alta.	The Voice of the Prairies Limited, Toronto General Trusts Bldg., Calgary, Alta.	1,010	10,000	10,000
CFCO	Chatham, Ont.	John Beardall, William Pitt Hotel, Chatham, Ont.	630	100	100
CFCX	Montreal, P.Q.	Canadian Marconi Company Limited, 211 St. Sacrament Street, Montreal, P.Q.	6,005	75	75†
*CFCY	Charlottetown, P.E.I. (Malpeque Road)	The Island Radio Broadcasting Co. Ltd., Canadian National Hotel, Charlottetown, P.E.I.	630	1,000	1,000
CFGP	Grande Prairie, Alta.	Northern Broadcasting Corporation Lim- ited, 906 McLeod Building, Edmonton, Alta.	1,340	250	250
*CFJC	North Kamloops, B.C.	Kamloops Sentinel Limited, Wilcox-Hall Building, Kamloops, B.C.	910	1,000	1,000
CFLC	Prescott, Ont.	Radio Association of Prescott, 307 George Street, Prescott, Ont.	1,450	100	100
*CFNB	Fredericton, N.B.	James S. Neill & Sons Limited, Fredericton, N.B.	550	1,000	1,000
CFOS	Owen Sound, Ont.	H. Fleming, Owen Sound Sun-Times, Owen Sound, Ont.	1,400	250	250
CFPL	London, Ont.	The London Free Press Printing Co. Limited, Richmond Street, London, Ont.	1,570	1,000 DA	1,000 DA
CFPR	Prince Rupert, B.C.	Felix E. Batt, Prince Rupert, B.C.	1,240	50	50
*CFQC	Saskatoon, Sask.	A. A. Murphy & Sons Limited, 216 First Avenue N., Saskatoon, Sask.	600	1,000	1,000
CFRB	Typ. of King, Ont.	Rogers Radio Broadcasting Company Lim- ited, 622 Fleet Street, Toronto, Ont.	860	10,000	10,000
*CFRC	Kingston, Ont.	Queen's University, Fleming Hall, Kingston, Ont.	1,490	100	100
CFRN	Edmonton, Alta.	G. R. A. Rice, 106B C.P.R. Building, Edmonton, Alta.	1,260	1,000	1,000
CFRX	Twp. of King, Ont.	Rogers Radio Broadcasting Company Ltd., 622 Fleet Street, Toronto, Ont.	6,070	1,000	1,000 ‡
CFVP	Strathmore, Alta.	The Voice of the Prairies Limited, Toronto General Trusts Bldg., Calgary, Alta.	6,030	100	100 ‡
*CHAB	Boharm, Sask.	C.H.A.B. Limited, Grant Hall Hotel, Moose Jaw, Sask.	1,220	1,000	1,000
CHEX	Peterborough, Ont.	Peterborough Broadcasting Company Lim- ited, Peterborough, Ont.	1,430	1,000 DA	1,000 DA
CHGB	St. Anne de la Pocatière, P.Q.	G. Thomas Desjardins, St. Anne de la Pocatière, P.Q.	1,230	250	250
CHGS	Summerside, P.E.I.	R. T. Holman Limited, Holman Building, 190 Water Street, Summerside, P.E.I.	1,480	100	100
CHLN	Three Rivers, P.Q.	Le Nouvelliste Ltée, Three Rivers, P.Q.	1,450	100	100

CHLP	Montreal, P.Q.	La Patrie Publishing Company Limited, 180 St. Catherine St. E., Montreal, P.Q.	1,490	250	100
CHLT	6th Range of Ascot, Sherbrooke, P.Q.	La Tribune Ltée, 3 Marquette St., Sherbrooke, P.Q.	1,240	250	250
CHML	$\frac{3}{4}$ mile west of Aldershot, Ont.	Maple Leaf Radio Company Limited, Pigott Building, Hamilton, Ont.	900	1,000	1,000
*CHNC	New Carlisle, P.Q.	The Gaspesian Radio Broadcasting Co. Limited, New Carlisle, P.Q.	610	1,000	1,000
*CHNS	Bedford, N.S.	The Maritime Broadcasting Company Ltd., 10 Tobin Street, Halifax, N.S.	960	1,000	1,000
CHNX	Bedford, N.S.	The Maritime Broadcasting Co. Limited, 10 Tobin Street, N.S.	6,130	500	500†
CHOV	Pembroke, Ont.	D. A. Jones, Pembroke, Ont.	1,340	250	(under cons.)
CHPS	Parry Sound, Ont.	Gordon E. Smith, Parry Sound, Ont.	1,450	250	(under cons.)
CHRC	Ste. Foy, P.Q.	C. H. R. C. Limited, Victoria Hotel, Quebec P.Q.	800	1,000DA	250
*CHSJ	Coldbrook, N.B.	New Brunswick Broadcasting Co. Limited, Admiral Beatty Hotel, Saint John, N.B.	1,150	1,000	1,000
CHWK	Chilliwack, B.C.	Chilliwack Broadcasting Company Limited, Wellington Avenue, Chilliwack, B.C.	1,340	250	100
*CJAT	Trail, B.C.	Kootenay Broadcasting Co. Ltd., Trail B.C.	610	1,000	1,000
*CJBR	Sacre-Coeur, Rimouski Co., P.Q.	J. A. Brillant, Rimouski, P.Q.	900	1,000	1,000
*CJCA	Belmont View, Alta.	The Southam Co. Limited, 1070 Bleury St., Montreal, P.Q.	930	1,000	1,000
*CJCB	South Bar Road near Sydney, N.S.	Eastern Broadcasters Limited, 318 Charlotte Street, Sydney, N.S.	1,270	1,000	1,000
CJCJ	Calgary, Alta.	The Albertan Publishing Company Ltd., Calgary, Alta.	1,230	100	100
CJCS	Stratford, Ont.	Frank M. Squires, Stratford, Ont.	1,240	50	50
CJCX	South Bar Road near Sydney, N.S.	Eastern Broadcasters Limited, 318 Charlotte Street, Sydney, N.S.	6,010	1,000	1,000†
CJFX	Antigonish, N.S.	Atlantic Broadcasters Limited, Antigonish, N.S.	580	1,000DA	(under cons.)
CJGX	Yorkton, Sask.	Yorkton Broadcasting Company Limited, Yorkton, Sask.	1,460	1,000	1,000
CJIC	Twp. of Korah, Ont.	J. C. Whitby & J. G. Hyland, Sault Ste. Marie, Ont.	1,490	250	250
*CJKL	Dane, Ont.	Northern Broadcasting & Publishing Ltd., Timmins, Ont.	560	1,000	1,000
CJLS	Yarmouth, N.S.	Laurie L. Smith, Yarmouth, N.S.	1,340	100	100
CJMH	Medicine Hat, Alta.	J. Harlan Yuill, Medicine Hat, Alta.	1,490	100	(applied for extension of time.)
*CJOC	Lethbridge, Alta.	H. R. Carson Ltd., Marquis Hotel, Lethbridge, Alta.	1,400	1,000	100

* National network stations.

† (Short wave.)

LIST OF CANADIAN BROADCASTING STATIONS AS OF MARCH 31, 1942—Continued

Call sign	Location of transmitter	Owners	Freq. in kc/s	Authorized power in watts	Utilized power in watts
CJOR	Lulu Island, B.C.	C. J. O. R. Limited, Hotel Grosvenor, 846 Howe Street, Vancouver, B.C.	600	1,000	1,000
CJRC	Middlechurch, Sask.	Transeanada Communications Limited, 157 Royal Alexandra Hotel, Winnipeg, Man.	630	1,000	1,000
CJRM	N.E. ¼ Sec. 11, Twp. 18, Range 19, W. 2nd Mer., Regina, Sask.	Transeanada Communications Limited, 157 Royal Alexandra Hotel, Winnipeg, Man.	980	1,000	1,000
CJRO	Middlechurch, Man.	Transeanada Communications Limited, 157 Royal Alexandra Hotel, Winnipeg, Man.	6,150	2,000	2,000‡
CJRX	Middlechurch, Man.	Transeanada Communications Limited, 157 Royal Alexandra Hotel, Winnipeg, Man.	11,720	2,000	2,000‡
CJVI	Esquimalt District, B.C.	Island Broadcasting Company Limited, 620 View Street, Victoria, B.C.	1,480	500	500
CKAC	St. Hyacinthe, P.Q.	La Presse Publishing Company, Limited, 7 rue St. Jacques, Montreal, P.Q.	730	5,000	5,000
*CKBI	Prince Albert, Sask.	Central Broadcasting System Limited, Prince Albert, Sask.	900	1,000	1,000
CKCA	Kenora, Ont.	Kenora Broadcasting Company Limited, Kenricia Hotel, Kenora, Ont.	1,450	250** 100†	250** 100†
CKCH	Hull, P.Q.	La Compagnie de Radiodiffusion, CKCH, Le Droit Ltee., 85 Champlain Ave., Hull, P.Q.	1,240	100	100
*CKCK	Pilot Butte, Sask.	Leader-Post Limited, 1853 Hamilton St., Regina, Sask.	620	1,000	1,000
CKCL	Township of Scarboro, Ont.	Dominion Battery Company Limited, 444 University Avenue, Toronto, Ont.	580	1,000 DA	1,000 DA
CKCO	Brickyard Road, Township of Hull, P.Q.	Dr. G. M. Geldert, 272 Somerset Street W., Ottawa, Ont.	1,310	1,000 DA	1,000 DA
CKCR	Waterloo, Ont.	Wm. C. Mitchell & G. Liddle, Waterloo Trust Building, Kitchener, Ont.	1,490	250	250
CKCV	Quebec, P.Q.	C.K.C.V. Limited, 254 avenue Marguerite- Bourgeois, Quebec, P.Q.	1,340	100	100
*CKCW	Moncton, N.B.	Moncton Broadcasting Company Limited, Knights of Pythias Hall, Moncton, N.B.	1,400	250	250
CKFX	Lulu Island, B.C.	Western Broadcasting Company Limited, Hotel Georgia, Vancouver, B.C.	6,080 1,470	10 1,000	10‡ 1,000
*CKGB	Twp. of Mountjoy, Ont.	R. H. Thomson, North Bay, Ont.	1,240	250	100
CKLN	Nelson, B.C.	News Publishing Company Limited, Nelson, B.C.	800	5,000	5,000
CKLW	Sandwich South Twp., Essex County, Ont.	Western Ontario Broadcasting Company Ltd., Guaranty Trust Bldg., Windsor, Ont.	1,240	50	50
CKMC	Cobalt, Ont.	R. L. MacAdam, Cobalt, Ont.			

CKMO	Vancouver, B.C.	Sprott-Shaw Radio Company, 812 Robson Street, Vancouver, B.C.	1,410	100	100
CKNB	Campbellton, N.B.	Dr. Charles Houde, New Carlisle, P.Q.	950	1,000 DA	1,000 DA
CKNX	No. 4 Highway south of Wingham, Ont.	W. T. Cruickshank, Wingham, Ont.	920	1,000 DA	1,000 DA
CKOC	Fruitland, Ont.	Wentworth Radio Broadcasting Co. Limited, Wentworth Building, Hamilton, Ont.	1,150	1,000**	1,000**
				500†	500†
*CKOV	Kelowna, B.C.	Okanagan Broadcasters Limited, Kelowna, B.C.	630	1,000	1,000
CKPC	Brantford, Ont.	The Telephone City Broadcast Limited, Arcade Building, Brantford, Ont.	1,380	100	100
*CKPR	Cor. 14th Ave. and Memorial Blvd., Port Arthur, Ont.	Dougall Motor Car Company Limited, 104½ South May St., Fort William, Ont.	580	1,000	1,000
CKRN	Rouyn, P.Q.	La Compagnie de Radiodiffusion, Rouyn-Noranda Ltee., Rouyn, P.Q.	1,400	250	250
*CKSO	Neelon Twp., Ont.	W. E. Mason, Grand Theatre Bldg., Sudbury, Ont.	790	1,000	1,000
CKTB	Lot 19, Rifle Range, St. Catharines, Ont.	E. T. Sandell, The Welland House, St. Catharines, Ont.	1,550	1,000	1,000
CKUA	S.E. ¼ Sect. 5, Twp. 52, Range 24, W. of 4th, Edmonton.	University of Alberta, Edmonton, Alta.	580	1,000	1,000
CKVD	590 3rd Ave., Val d'Or, P.Q.	La Voix d'Abitibi Ltee., Val d'Or, P.Q.	1,230	250	100
CKWS	Wolfe Island, Ont.	Allied Broadcasting Corp., Kingston, Ont.	960	1,000 DA (Under cons.)	
CKWX	Lulu Island, B.C.	Western Broadcasting Company Limited, Hotel Georgia, Vancouver, B.C.	980	1,000	1,000
*CKX	Brandon, Man.	Manitoba Telephone System, Winnipeg, Man.	1,150	1,000	1,000
*CKY	Headingley, Man.	Manitoba Telephone System, Winnipeg, Man.	990	15,000	15,000

* National network stations.

** Day.

† Night.

‡ (Short wave.)

LOW POWERED REPEATER STATIONS OF THE CANADIAN BROADCASTING
CORPORATION AS OF MARCH 31, 1942

Call Sign	Location of Transmitter	Freq. in kc/s	Authorized Power in Watts	
CBAM	Edmundston, N.B.	1,400	20	Licensed from October 22, 1941.
CBRA	Revelstoke, B.C.	560	20	Licensed from December 17, 1940.
CBRG	Prince George, B.C.	730	20	Licensed from April 1, 1942.
CBRL	Williams Lake, B.C.	900	20	Licensed from April 1, 1942.
CBRN	North Bend, B.C.	800	20	Licensed from October 28, 1941.
CBRQ	Quesnel, B.C.	800	20	Licensed from April 1, 1942.
CBRW	Wells, B.C.	940	20	Licensed from April 1, 1942.

OPERATION OF CANADIAN STATIONS AS AT NOVEMBER 1, 1941

Station	Hours of Operation (Local Time)		Average Hours Daily
CHNS	Sunday	9.00 a.m.—12.00 mid.	16:17
	Monday to Saturday	7.30 a.m.—12.00 mid.	
CJCB	Sunday	9.00 a.m.—12.00 mid.	16:21
	Monday to Saturday	7.25 a.m.—12.00 mid.	
CJLS	Sunday	8.00 a.m.—12.00 mid.	16:00
	Monday to Saturday	8.00 a.m.—12.00 mid.	
CFCY	Sunday	7.57 a.m.—12.00 mid.	16:03
	Monday to Saturday	7.57 a.m.—12.00 mid.	
CHGS	Sunday	10.55 a.m.— 8.00 p.m.	9:28
		(except 1.00—4.00 p.m.)	
	Monday to Saturday	7.28 a.m.— 9.00 p.m.	
		(except 8.30—10.30 a.m. 2.30— 4.00 p.m.)	
CBA	Sunday	7.59 a.m.—12.02 a.m.	16:15
	Monday to Saturday	7.45 a.m.—12.02 a.m.	
CKCW	Sunday	11.00 a.m.—12.00 mid.	16:26
	Monday to Saturday	7.00 a.m.—12.00 mid.	
CHSJ	Sunday	7.58 a.m.—12.00 mid.	16:53
	Monday to Saturday	6.58 a.m.—12.00 mid.	
CFNB	Sunday	7.58 a.m.—12.00 mid.	16:39
	Monday to Saturday	7.15 a.m.—12.00 mid.	
CKNB	Sunday	8.57 a.m.—12.03 a.m.	16:00
	Monday to Saturday	7.54 a.m.—12.03 a.m.	
CHNC	Sunday	8.45 a.m.—11.30 p.m.	15:36
	Monday to Saturday	7.45 a.m.—11.30 p.m.	
CJBR	Sunday	8.45 a.m.—11.30 p.m.	15:36
	Monday to Saturday	7.45 a.m.—11.30 p.m.	
CBJ	Sunday	8.00 a.m.—12.00 mid.	16:00
	Monday to Saturday	8.00 a.m.—12.00 mid.	
CHGB	Sunday	11.55 a.m.—12.00 mid.	15:31
	Monday to Saturday	7.55 a.m.—12.00 mid.	
CHRC	Sunday	11.27 a.m.—12.00 mid.	15:56
	Monday to Saturday	7.30 a.m.—12.00 mid.	
CKCV	Sunday	10.45 a.m.—12.00 mid.	16:02
	Monday to Saturday	7.30 a.m.—12.00 mid.	
CBV	Sunday	8.00 a.m.—12.00 mid.	16:00
	Monday to Saturday	8.00 a.m.—12.00 mid.	
CHLN	Sunday	12.00 noon—11.00 p.m.	14:39
	Monday to Saturday	7.45 a.m.—11.00 p.m.	
CHLT	Sunday	7.55 a.m.—12.00 mid.	16:17
	Monday to Friday	7.45 a.m.—12.00 mid.	
	Saturday	7.25 a.m.—12.05 a.m.	
CFCF	Sunday	7.20 a.m.—11.15 p.m.	17:09
	Monday to Friday	7.00 a.m.—12.10 a.m.	
	Saturday	7.00 a.m.— 1.15 a.m.	
CHLP	Sunday	4.55 p.m.— 8.00 p.m.	13:05
	Monday to Saturday	8.15 a.m.—11.00 p.m.	
CKAC	Sunday	8.59 a.m.— 1.00 a.m.	17:44
	Monday to Saturday	7.00 a.m.— 1.00 a.m.	
CBM	Sunday	8.00 a.m.—12.00 mid.	16:26
	Monday to Saturday	7.30 a.m.—12.00 mid.	

OPERATION OF CANADIAN STATIONS AS AT NOVEMBER 1, 1941—*Continued*

Station	Hours of Operation (Local Time)		Average Hours Daily
CBF	Sunday	7.59 a.m.—12.03 a.m.	16:30
	Monday to Saturday	7.29 a.m.—12.03 a.m.	
CKCH	Sunday	12.00 noon—11.25 p.m.	15:13
	Monday to Friday	7.37 a.m.—11.30 p.m.	
	Saturday	7.40 a.m.—11.20 p.m.	
CKVD	Sunday	11.00 a.m.— 9.15 p.m.	12:49
	Monday to Saturday	8.00 a.m.— 9.15 p.m.	
CKRN	Sunday	8.57 a.m.—11.00 p.m.	16:39
	Monday to Friday	6.57 a.m.—12.00 mid.	
	Saturday	6.57 a.m.—12.10 a.m.	
CKCO	Sunday	12.30 p.m.—10.45 p.m.	14:30
	Monday to Friday	7.28 a.m.—10.45 p.m.	
	Saturday	7.58 a.m.—10.45 p.m.	
CBO	Sunday	7.15 a.m.—12.00 mid.	16:58
	Monday to Saturday	7.00 a.m.—12.00 mid.	
CFLC	Sunday	4.30 p.m.— 5.45 p.m.	5:19
	Monday to Saturday	8.00 a.m.— 7.00 p.m. (except 10.00—12.00 noon 2.00— 5.00 p.m.)	
CFRC	Sunday	11.00 a.m.—11.15 p.m.	15:08
	Monday to Friday	7.35 a.m.—11.15 p.m.	
	Saturday	7.55 a.m.—11.15 p.m.	
CBL	Sunday	7.45 a.m.—12.00 mid.	16:54
	Monday to Saturday	7.45 a.m.—12.00 mid.	
CBY	Sunday	7.45 a.m.—12.00 mid.	16:15
	Monday to Saturday	7.45 a.m.—12.00 mid.	
CFRB	Sunday	10.00 a.m.—12.30 a.m.	17:04
	Monday to Saturday	7.00 a.m.—12.30 a.m.	
CKCL	Sunday	9.00 a.m.—12.05 a.m.	16:22
	Monday to Saturday	7.30 a.m.—12.05 a.m.	
CKOC	Sunday	9.00 a.m.—12.05 a.m.	17:39
	Monday to Saturday	6.00 a.m.—12.05 a.m.	
CHML	Sunday	9.00 a.m.—12.00 mid.	18:24
	Monday to Friday	6.00 a.m.— 1.00 a.m.	
	Saturday	6.00 a.m.—12.30 a.m.	
CKTB	Sunday	9.00 a.m.—12.00 mid.	16:06
	Monday to Friday	7.45 a.m.—12.00 mid.	
	Saturday	7.45 a.m.—12.15 a.m.	
CKCR	Sunday	8.45 a.m.— 8.30 p.m.	14:32
	Monday to Saturday	7.00 a.m.—10.00 p.m.	
CFPL	Sunday	9.45 a.m.—11.00 p.m.	14:45
	Monday to Saturday	8.00 a.m.—11.00 p.m.	
CFCO	Sunday	9.00 a.m.—11.00 p.m.	15:43
	Monday to Saturday	7.00 a.m.—11.00 p.m.	
CJCS	Sunday	10.00 a.m.— 8.45 p.m.	14:24
	Monday to Saturday	7.00 a.m.—10.00 p.m.	
CKPC	Sunday	8.45 a.m.— 9.10 p.m.	14:00
	Monday to Friday	7.00 a.m.— 9.10 p.m.	
	Saturday	7.00 a.m.— 9.45 p.m.	
CKLW	Sunday	7.20 a.m.— 4.00 a.m.	21:49
	Monday to Saturday	6.00 a.m.— 4.00 a.m.	
CKNX	Sunday	10.40 a.m.— 8.15 p.m.	10:33
	Monday to Friday	(except 2.00—5.00 p.m.) 7.15 a.m.— 9.15 p.m.	
	Saturday	(except 2.00—5.00 p.m.) 7.15 a.m.— 9.30 p.m.	
		(except 3.00—5.00 p.m.)	
CFOS	Sunday	10.00 a.m.— 9.30 p.m.	11:16
	Monday to Friday	7.45 a.m.— 9.15 p.m. (except 1.30—4.55 p.m. Monday to Wednesday)	
	Saturday	7.45 a.m.— 9.15 p.m. (except 1.30—4.55 p.m.)	
CKMC	Thursday (Only)	30 minutes	4 min. 17 sec.
CFCH	Sunday	9.00 a.m.—12.00 mid.	15:51
	Monday to Saturday	8.00 a.m.—12.00 mid.	

OPERATION OF CANADIAN STATIONS AS AT NOVEMBER 1, 1941—Continued

Station	Hours of Operation (Local Time)			Average Hours Daily
CJCL	Sunday	8.00 a.m.—11.45 p.m.	17:19
	Monday to Friday.....	7.00 a.m.—12.35 a.m.	.....
	Saturday	7.00 a.m.—12.30 a.m.	.....
CKGB	Sunday	8.00 a.m.—12.00 mid.	17:17
	Monday to Saturday.....	7.00 a.m.—12.30 a.m.	.....
CKSO	Sunday	8.00 a.m.— 1.15 a.m.	18:06
	Monday to Saturday.....	7.00 a.m.— 1.15 a.m.	.....
CJIC	Sunday	8.15 a.m.—11.00 p.m.	16:41
	Monday to Saturday.....	7.00 a.m.—12.00 mid.	.....
CKPR	Sunday	10.55 a.m.—11.00 p.m.	14:52
	Monday to Saturday.....	7.40 a.m.—11.00 p.m.	.....
CKCA	Sunday	10.00 a.m.—10.00 p.m.	12:58
		(except 12.30—1.30 p.m.	.....
		2.00—4.45 p.m.	.....
		6.00—6.30 p.m.	.....
		7.00—7.30 p.m.	.....
		8.30—9.00 p.m.)	.....
CJRC	Monday to Saturday.....	8.00 a.m.—10.00 p.m.	17:25
	Sunday	8.55 a.m.—10.30 p.m.	.....
	Monday to Friday.....	6.30 a.m.—12.00 mid.	.....
CKY	Saturday	6.30 a.m.— 1.00 a.m.	16:43
	Sunday	9.00 a.m.—12.00 mid.	.....
CJGX	Monday to Saturday.....	7.00 a.m.—12.00 mid.	16:15
	Sunday	8.45 a.m.—11.00 p.m.	.....
	Monday to Friday.....	6.30 a.m.—11.00 p.m.	.....
CKX	Saturday	6.30 a.m.—11.30 p.m.	15:43
	Sunday	10.00 a.m.—11.30 p.m.	.....
	Monday to Friday.....	7.30 a.m.—11.30 p.m.	.....
CFAR	Saturday	7.00 a.m.—11.30 p.m.	14:19
	Sunday	9.45 a.m.— 7.00 p.m.	.....
	Monday to Friday.....	7.00 a.m.—10.00 p.m.	.....
CKCK	Saturday	7.00 a.m.—11.00 p.m.	17:17
	Sunday	8.00 a.m.—12.00 mid.	.....
CJRM	Monday to Saturday.....	6.30 a.m.—12.00 mid.	16:56
	Sunday	9.00 a.m.—12.00 mid.	.....
CBK	Monday to Saturday.....	6.45 a.m.—12.00 mid.	16:56
	Sunday	7.25 a.m.—11.30 p.m.	.....
CHAB	Monday to Saturday.....	6.55 a.m.—12.00 mid.	17:26
	Sunday	7.00 a.m.—12.00 mid.	.....
CFQC	Monday to Saturday.....	6.30 a.m.—12.00 mid.	16:56
	Sunday	8.30 a.m.—11.30 p.m.	.....
CKBI	Monday to Saturday.....	6.45 a.m.—12.00 mid.	17:09
	Sunday	8.00 a.m.—11.30 p.m.	.....
	Monday to Friday.....	6.00 a.m.—11.30 p.m.	.....
CFGP	Saturday	6.00 a.m.—11.00 p.m.	14:06
	Sunday	8.45 a.m.— 9.00 p.m.	.....
	Monday to Friday.....	7.00 a.m.— 9.30 p.m.	.....
CJCA	Saturday	7.00 a.m.— 9.00 p.m.	17:47
	Sunday	7.30 a.m.—12.00 mid.	.....
	Monday to Friday.....	6.15 a.m.—12.00 mid.	.....
CFRN	Saturday	6.15 a.m.— 1.30 a.m.	17:15
	Sunday	8.30 a.m.—11.20 p.m.	.....
	Monday to Friday.....	6.30 a.m.—12.05 a.m.	.....
CKUA	Saturday	6.30 a.m.—12.30 a.m.	5:09
	*Sunday	Inoperative.	.....
	Monday to Friday.....	3.00 p.m.—10.00 p.m.	.....
CFCN	Saturday	11.00 a.m.—12.00 noon	17:17
	Sunday	7.30 a.m.—11.30 p.m.	.....
CJCJ	Monday to Saturday.....	6.30 a.m.—12.00 mid.	15:58
	Sunday	9.00 a.m.—11.15 p.m.	.....
CFAC	Monday to Saturday.....	7.00 a.m.—11.15 p.m.	17:45
	Sunday	9.00 a.m.—12.00 mid.	.....
	Monday to Friday.....	6.00 a.m.—12.15 a.m.	.....
CJOC	Saturday	6.00 a.m.—12.00 mid.	17:14
	Sunday	7.55 a.m.—12.00 mid.	.....
	Monday to Friday.....	6.30 a.m.—12.00 mid.	.....
	Saturday	6.30 a.m.—11.30 p.m.	

OPERATION OF CANADIAN STATIONS AS AT NOVEMBER 1, 1941—*Concluded*

Station	Hours of Operation (Local Time)			Average Hours Daily
CKLN	Sunday	7.55 a.m.—11.00 p.m.	}	15:44
	Monday to Friday.....	7.55 a.m.—11.30 p.m.		
	Saturday	7.55 a.m.— 1.05 a.m.		
CFJC	Sunday	8.00 a.m.—11.45 p.m.	}	16:27
	Monday to Friday.....	6.55 a.m.—11.30 p.m.		
	Saturday	7.00 a.m.—11.30 p.m.		
CKOV	Sunday	7.55 a.m.—11.00 p.m.	}	16:56
	Monday to Saturday.....	6.45 a.m.—12.00 mid.		
CJAT	Sunday	8.55 a.m.—11.00 p.m.	}	16:48
	Monday to Saturday.....	6.45 a.m.—12.00 mid.		
CKWX	Sunday	8.00 a.m.—11.00 p.m.	}	17:09
	Monday to Saturday.....	6.30 a.m.—12.00 mid.		
CBR	Sunday	7.25 a.m.—12.00 mid.	}	16:35
	Monday to Saturday.....	7.25 a.m.—12.00 mid.		
CKMO	Sunday	7.45 a.m.—11.00 p.m.	}	17:54
	Monday to Friday.....	6.45 a.m.— 1.00 a.m.		
	Saturday	6.45 a.m.— 1.30 a.m.		
CJOR	Sunday	9.00 a.m.—10.00 p.m.	}	16:51
	Monday to Saturday.....	6.30 a.m.—12.00 mid.		
CJVI	Sunday	10.30 a.m.— 9.00 p.m.	}	13:39
	Monday to Friday.....	7.00 a.m.— 9.00 p.m.		
	Saturday	7.00 a.m.—10.00 p.m.		
CHWK	Sunday	9.00 a.m.—10.15 p.m.	}	15:11
	Monday to Friday.....	7.15 a.m.—10.30 p.m.		
	Saturday	7.15 a.m.—12.00 mid.		
CFPR	*Sunday	Inoperative	}	5:02
	Monday to Friday.....	10.00 a.m.— 1.30 p.m.		
		5.00 p.m.— 7.30 p.m.		
	Saturday	10.00 a.m.— 1.30 p.m.		
		5.00 p.m.— 7.30 p.m.		

* Inoperative.

APPENDIX 2

- 1. What was the total number of radio licences issued for 1941?
- 2. What was the total amount collected?
- 3. What was the total cost of collecting such licences?
- 4. How many radio licences were issued in each province, and in the Yukon Territory, in 1941?

ANSWERS

1.	1,615,473.
2.	\$3,904,016.00.
3.	\$473,115.84. (Commissions \$275,738.65—Administration \$197,377.19).
4.	1941-42—
	British Columbia.. . . . 137,363
	Alberta.. . . . 120,930
	Saskatchewan.. . . . 121,084
	Manitoba.. . . . 103,807
	Ontario.. . . . 603,331
	Quebec.. . . . 399,722
	Nova Scotia.. . . . 71,429
	New Brunswick.. . . . 48,425
	Prince Edward Island.. . . . 8,644
	Yukon.. . . . 173
	Northwest Territories.. . . . 565
	————— 1,615,473

Above figures from 1st April, 1941, to 31st March, 1942. (not final for fiscal year)..

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

MAY 29, 1942.

The Select Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. We will proceed with our meeting, ladies and gentlemen. Mr. Murray will continue with his statement and I would suggest that we try and have Mr. Murray finish his statement to-day in order that it may be published before our next meeting so that we may have an opportunity of studying it. With that in view, I would suggest it might be advisable to refrain from interruptions or questions as much as possible. I will call on Mr. Murray.

Mr. W. GLADSTONE MURRAY, General Manager of the Canadian Broadcasting Corporation, recalled.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen. I have been attempting by various measures of compression to comply with my promise to try to get this statement finished to-day, and I hope that my efforts will succeed. Yesterday I had the opportunity of telling you something about the transition period from peace to war, the problems which had to be dealt with in the early stages, something about the work of the overseas unit in the United Kingdom, work in co-operation with government departments, about the news organization and personnel, and then some observations on the impact of war conditions, positive and negative. There was also a general outline of press and information, points of coverage and an explanation of the general pattern of programs and program policy. I should like to resume from the point where I left off.

It may not be irrelevant to say just a word about the composition of the staff that was responsible for carrying out this very considerable task. It includes French-speaking Canadians; English-speaking Canadians of English, Irish, Welsh and Scotch origin; Jews and Gentiles; Protestants and Catholics, and natives of every province of the Dominion, with a generous admixture of new Canadians, Britons from overseas, old country French, Danish, Belgian and others. This staff works in harmony. In my experience I have encountered no other organization in which such democratic and friendly relations prevail. That is not to say that there are no differences of opinion and real argument. Indeed, it is part of the vitalizing process of this business that there should be constant difference of opinion.

But alongside of the serious part of broadcasting, which I emphasized yesterday, there goes the important matter of providing entertainment; and that is not entirely a separate matter. It must not be viewed as a separate department. National unity and the major objective of public service broadcasting depend largely upon community of cultural interests, and every program should have behind it a consciousness of that underlying fact. The importance of program balance cannot be over-emphasized. There must not be too much talk, for instance. We cannot neglect the tastes of those who like serious music and perhaps do not care so much for the lighter forms of music. The man who likes to listen to fight or hockey broadcasts must remember his neighbour who wants to hear a book review or a discussion of modern art.

In that connection I should like to anticipate a general summary of disabilities with which I promised to conclude this report and to ask your advice

and assistance about, by pointing out one great advantage that the peacetime distribution of the British Broadcasting Corporation had over ours; that is to say, the existence of twin-wave regional transmitters which enabled there to be continuous and conscious planning with the purpose of trying to satisfy the two average moods of the average listener on equal signal strength at any given moment. That is an enormous advantage over our practice. We have got our one national network. Our contrasts so far as we plan them, must be within the confines of our one program. It is true that privately owned stations provide an alternative in many cases, but it is not a consciously planned alternative; nor can it be, because privately owned stations depend solely on the results of advertisements. They get no share of the licence fees, and there comes a point where we cannot impose a consciously-planned policy of alternatives on them. Therefore, the alternative in Canada, and indeed in the United States as well, is a hit and miss business. That is a disadvantage which I hope some day we may be able to overcome; because any substantial improvement in the degree of public satisfaction depends upon the availability of moderately well contrasted alternatives of equal signal strength and produced with equal skill at any given moment.

In the year just ended—that is at March 31 last—just over 54 per cent of our time was devoted to music—opera, symphonies and other varieties of classical music, variety, dance music, band music and so on. I think that varying tastes in this respect have been pretty well catered for; that is vertically but not horizontally. In other words, our ingredients have had to be embodied in the one set of programs. Serious music—that is, operatic, symphonic, classical and semi-classical—account for 21 per cent of our time. Dance music and what is generally classified as “light music”—popular songs, musical comedy—account for 33-1/3 per cent. In that connection I should like to call your attention to a series that is running at the moment called “Curtain Memories” which were described to me by an independent authority the other day, a great entertainment expert from the United States, as, in his opinion, the most perfectly planned and presented program of its kind that he had yet encountered. It is an endeavour, through special rehearsal, special presentation, to give a perfect example of the light program of the Gilbert and Sullivan type.

Programs that are not primarily musical are set out under the general heading of the spoken word. They include drama, news, features, talks of all kinds, actualities, sports events, farm broadcasts, school broadcasts. They fill the remaining 45 per cent of sustaining time.

I do not propose to review program activities by giving long lists of successful, popular or useful programs or unpopular or “not useful” programs, if these exist. It will save time if, for details of this kind, I refer you to the annual reports and to the series of pamphlets you have already had distributed. I do, though, want to say a few things on general lines with a view to guiding discussion and criticism.

First, a word about the farm broadcasts. I emphasize this because that did take up a good deal of the time and attention of the last committee of parliament on radio. Therefore, that was made one of the tasks which we attempted after the last committee. There are two facts upon which the make-up of the farm broadcasts has been based. Thirty-six per cent of the radio equipped homes of Canada are on rural areas. There was from one source or another plenty of information which would be worth dollars and cents to farmers if only it could be made available to them at an appropriate time. For this radio was the logical medium. Of course, Canada is a country with diversified agricultural areas. For once, however, geography was kind to us. It was found that by a happy coincidence the five time zones corre-

sponded pretty closely with the agricultural regions. That was a help to us, for we have been able in each region to broadcast the farm programs at a time generally convenient for farmers to listen.

There is today in each region a half-hour broadcast daily except Saturday and Sunday, which is everywhere conducted on the same general lines. In the first ten minutes the commentator gives market quotations correct to within a few minutes of the broadcast; farmers are thus able to keep directly in touch with all the controlling produce markets in Canada and the United States where it affects them. The principal reason for the existence of a serious distribution problem within the marketing structure has been the farmers' lack of information regarding markets, both in terms of supply and demand.

After this ten-minute commentary, there comes a ten-minute period of what might be called particularized entertainment. It consists of a serial drama dealing with a typical farm family of the region, as for example "The Craig Family" in Ontario, which has now become almost a household word. In it human interest is skilfully blended with agricultural instruction and general information. The success, as I have mentioned, of "The Craig Family" has been gratifying, and there is no reason to doubt that equal success will attend the other regional farm dramas now being developed as soon as they have discovered and consolidated their audiences. Of course they have to be adapted to changing conditions in the light of correspondents' criticism and constant revision. Following this period of drama, the voice of the commentator comes in again on the subject of "Producer Information", treating a different phase of activity every day. Tuesday, for instance, may be poultry day; then from week to week the broadcast carries the seasonal story of poultry, keeping pace every Tuesday with the development of the flock in its various stages. The seasonal story of live stock, dairy, field crops and so on, is treated on its special day each week. Commentators are at all times prepared to include in the broadcast the rush information sent out occasionally from authoritative sources to warn farmers of some new peril to crops or live stock. Meteorological information, weather forecasts and so on are of vital interest to farmers. These are provided in so far as they are allowed under war conditions, but we have now had to reduce that service.

The choice of our staff of commentators was not made easily or without much consideration. The farm commentator's job is not simply a matter of throwing a few facts together and reading them on the air. He must know the farmers and their problems and must be able to speak their language. If any statement regarding price or fluctuation is not self-explanatory, he must seek to give the explanation. The choice of station commentators is not made easily or without a great deal of consideration of the farm activities; the job is not simply a matter of market interpretations, but of carrying them on on the air, he must know the farmers and their problems, and he must be able to foresee their needs. We are very fortunate in having Mr. Orville Shugg in charge of this whole service; he is a very good practical farmer himself and he knows the language of the tiller of the soil. For example, if hog prices in Canada rise suddenly, there will be one or more contributing factors. It is his duty to find out from the proper authorities or authenticated sources why hog prices rose. Farmers need to know the "why" of the market conditions if they are to solve the problems of distribution within the marketing structure. Not only into the hog production field is the commentator required to carry his study and analysis, but to all the major commodity markets; live stock, poultry, and eggs, cereal crops and fruit and vegetables.

The information given in the broadcasts comes from various sources, from the dominion and provincial agricultural departments, from provincial or country agricultural associations, from the farm press, and last but not least from the

farmer himself—if John Brown is successfully applying some new principle to his farming, it is good business to tell about it. And we find no reluctance on the part of the farmers to share their information.

These farm broadcasts have an enormous audience, and thousands of appreciative letters have been received; and, of course, many critical letters, and a great deal of a constructive nature, suggestions for improvements. One maritime farmer said: "In one week the farm broadcast has saved me enough money to pay my radio licence for six years." As soon as this listening audience had been built up and its confidence won, we were ready to make a start in a wider and more general field, to launch an educational campaign dealing with the social and economic aspects of farming. The National Farm Forum is typical of this side of the work. This weekly program consists of a dramatized discussion of some social or economic problem connected with farming. The Farm Forum has been the result of a co-operative effort between the C.B.C., the Canadian Association for Adult Education, the Canadian Federation of Agriculture, the dominion and provincial governments and other agricultural associations in various regions. The scripts are carefully written so as to present all main points of view and are read by a cast of actors. The Farm Forum has aroused great interest not only in the country but also in the cities, where it is listened to by many people who derive from it better knowledge and understanding of this great Canadian industry.

The pattern of the farm broadcasts for Quebec varies slightly from that of similar programs in other regions, but in essentials they give much the same service. *Le Reveil Rural* is broadcast daily during the farmers' noon-hour, and once more I have to record that it ranks among the three most popular C.B.C. programs even in urban districts of the province of Quebec. I shall try by a short summary to give you an idea of the make-up and content of this French program.

(a) Talks, commentaries, dialogues, etc.: These form the foundation of agricultural broadcasting directed to the farmer and give to the townsman a glimpse of the life and work of the rural population. They contribute to re-establishing the harmony between the city and the country.

(b) Cultural or recreational items: The reason for these is to make country life more attractive and they constitute a powerful means of fighting the flight from the countryside. We broadcast country dances, folk-lore tunes, etc.

(c) Advice of the day and the week: In the province of Quebec, whose extent is considerable, climate and temperature vary from region to region. To-day we can broadcast advice of the day only with a certain amount of prudence, of course, on account of the security regulations. The broadcast of advice for the week may do good service for work in the fields, orchards, vegetable garden, household, etc. We broadcast every Monday agricultural advice for the week.

(d) Information service: This service keeps the farmer informed of all news; local, provincial, national and even world news. It presents commentaries of events or "initiatives" which may interest the farmer. We have slipped into our talks a good deal of information of this kind.

(e) Market information: This service is very valuable if it is accompanied by commentaries on the trend of the national market and covers the principal markets of the province. Sometimes we have advice about buying, selling and conservation, or preparation of the products of the farm. We broadcast every day, except Saturday, the quotations on the fruit and vegetable markets; on Tuesdays and Fridays, a review of the agricultural market, and we keep farmers in touch with all sudden variations in prices of all agricultural products.

What I have said does not fully cover all that we are doing, for the rural listener, but I do not wish to take up any more of your time with

this particular subject. I have dealt with it at some length because of the stress laid upon it by the last committee.

There is another phase of C.B.C. broadcasting that is of inestimable benefit to rural communities, though not specifically and solely designed for their benefit. I refer to broadcasts for schools and I propose to tell you about this in some detail, not in exhaustive detail but in a fairly comprehensive summary.

I shall mention first the factors that have limited and still limit our activities in this respect; and then tell of what we have done and what we hope to do.

I would point out that it has been our experience that any intervention or suspicion of intervention by a federal authority into a field of endeavour protected by the basic constitution of Canada as a provincial preserve is a matter of the utmost delicacy; and, consequently, we have been reluctant to take the initiative without the full co-operation of the provincial education departments. We have always been willing to place our studios, our production staff and a reasonable proportion of our program time for school broadcasts at the disposal of any province that was interested. Another point to be considered is that owing to varying time zones, school broadcasts have to be on a provincial rather than on a national basis.

Then, it is no good broadcasting programs to schools which are not equipped to listen to them. The resources of the C.B.C. are certainly not such as would enable us to put a radio set in every school. We have as yet no really accurate figures as to the number of Canadian schools equipped with radio; there are, however approximate figures. British Columbia appears to lead with about five hundred schools very well equipped; then comes Nova Scotia with one hundred and fifty. In Ontario cities there are some schools with receiving sets, and in Quebec also some schools are equipped but the numbers are not available even in estimate form. In some provinces the purchase of sets ranks for percentage grant from the provincial government, but in most rural areas (and it is there that the need is greatest), the authority to buy a radio for the local school rests with the board of trustees. Some of these bodies are hard to convince, even the educational authorities or the teachers' associations. I hope that this is a message which Members of Parliament might take back to their constituencies.

I know the excellent foundation that can be given in the little school house in the country. I spent my own early days on the worn benches of one in British Columbia. But I know too how much extra could be given, and I know how the teachers welcome the extra help that radio can provide as it brings actuality into the classroom and gives life to the dry bones of book learning. I must make it quite clear that radio cannot be a substitute for a teacher; what it can do is to make available on a large scale new and stimulating material—material that is not otherwise available except in one or two large cities, or material which may perhaps be available for just a day and must be caught at the right moment. There was a prolonged controversy in the United Kingdom when school radio was introduced there; at the beginning it aroused anxiety and not a little trepidation on the part of the National Union of Teachers because they thought it might revolutionize the whole system of school instruction and possibly imperil their positions. However, they were soon convinced to the contrary and the school radio now occupies an important position in the United Kingdom, one that is quite remarkable; and it has advanced by leaps and bounds since the beginning of the war.

I don't know whether the invigorating breezes that blow from the sea have anything to do with it, but the fact remains that the greatest progress in broadcasting to schools has been made on our Pacific and Atlantic coasts.

I will start with Nova Scotia. There is full co-operation with the Provincial Department of Education, we broadcast daily a fifteen-minute lesson based on

the prescribed course of study for schools, and worked into their curriculum. These lessons are presented from the Halifax studios by selected teachers from the schools of the city. There are lessons in English, French, reading and history. These daily broadcasts are supplemented by three afternoon programs—Vocational Guidance, Current Events and Plays about Citizenship. Schedules of the broadcast are printed in the Provincial Journal of Education, which also issues supplementary bulletins from time to time. The programs are supervised by a director of school broadcasting appointed by the provincial department. As I said before there are 150 radio equipped schools in the province, and as a matter of fact many schools in New Brunswick and Prince Edward Island, as well as a large adult audience throughout the Maritimes, listen to these programs. We hope during this year to get the three provinces to co-operate. Active measures in that direction are now being taken. The mention there of adult education reminds me a good school broadcast has a tremendous audience outside its own specific area.

At the other end of the dominion, in British Columbia, broadcasting to schools is on a very sound footing. The legislature makes an annual grant of \$5,000 for school broadcasts, and there is also a special grant from the Carnegie Foundation. Five hundred and forty-three schools in the provinces are equipped with radio. There is a director of school broadcasts and a committee for radio in schools, which includes the regional representative of the C.B.C., and a representative of the teachers of the province and of the Department of Education. The department pays the costs of programs—provides time and studio facilities and bears the cost and responsibility of production.

Some interesting experiments have been made. In addition to lessons in music, social studies, languages and sciences, a most successful attempt was made to teach art by radio. The interesting results of this were seen in an exhibition at the Vancouver Art Gallery of work done by pupils in country schools. I should like to mention, also, the series "The Road to Democracy"; in which historical plays were followed by a dramatization of the same problem in terms of human behaviour as it might concern the boys and girls of a modern junior high school.

The programs for last term included dramatizations of the lives of great scientists, of well known classics and children's books, broadcasts on health and music for junior and intermediate schools.

This work has had a most gratifying reception at the hands of pupils, teachers and parents. In 1940-41 more than six hundred letters of appreciation were received from pupils. That, I think, is more significant than letters from teachers. Mothers listen to the broadcasts and discuss them later with the children. It is interesting to note that south of the border over 150 classrooms in Bellinham, U.S.A., make use of these broadcasts.

The value of these programs to invalid children and to children in the isolated districts of British Columbia can hardly be overestimated. The reference to invalid children reminds me of the very important part that radio can play in alleviating the suffering of chronic invalids and shut-ins generally, amongst whom we find our most reliable critics in the constructive sense. It is very hard in the ordinary way to get criticism from people who listen—I would not say continuously, because that means satiation—but from those who listen to representative programs over a considerable period of time; and it is often from invalids we get the best information.

Some of the programs are carried on the western network and are listened to in some prairie schools. We are at present working on arrangements for the co-operation of the three Prairie provinces, the same as that organized in the Maritime provinces.

In Quebec our work has been on somewhat different lines. The French series "Radio College" is enjoying enormous success, and it is entirely the

work of the C.B.C. It came into being through the initiative of the French network staff. The talks have no direct connection with any particular school curriculum and they are broadcast outside school hours. A group of 250 lectures has been arranged on a variety of subjects, to be given by specialists in the various subjects—practical science, nature study, history, art, music, and literature. The lessons are designed only as a supplement to regular classroom work; they are meant to arouse and stimulate the pupils' interest by new ways of presentation such as talks, dialogues, dramatic sketches and music. The programs are being heard in the most remote parts of rural Quebec, and I am told that on their own initiative some schools are preparing examinations on the radio courses.

I must not forget to mention, with real gratitude, the Columbia Broadcasting System's "School of the Air of the Americas", a Pan-American enterprise seeking to serve schools of all the western hemisphere, and to help the nations of North and South America to a better understanding of one another's culture, history and ideals. We carry on our network two of the five courses offered by the school—folk-music and literature. And the C.B.C. has arranged to contribute ten programs to the series, programs featuring the music, literature, history and industries of the dominion. The C.B.C. contributes ten programs to the series. This series is distributed by the Columbia Broadcasting main network and relayed through most of the South American republics first by C.B.S. shortwave system, and then taken on the medium wave transmitters of South American republics which have association with it. This series has considerably extended publicity for Canada.

I look forward to a time when all the nine provinces will co-operate, and we can have broadcasts at suitable times right across Canada, each suitable to the needs of its particular province. Alongside of this, we can from time to time put on national broadcasts that will stimulate a sense of citizenship and of national consciousness in the rising generation. In that connection it is only fair to recognize at this stage the splendid pioneering work which has been done by the Hon. G. H. Blakeny, Minister of Education of the province of New Brunswick, through whose initiative there has come into being the Canadian Council of Education for Citizenship which is now a contributory factor to the various forces whose object it is to establish Canadian citizenship on a sound basis.

I hope that the weekly series just concluded is but a beginning in this respect—I refer, of course, to "The Birth of Canadian Freedom," a series of programs which dealt in dramatic form with the lives of such men as Lord Durham, Joseph Howe, Lord Elgin, William Lyon Mackenzie, Louis Joseph Papineau and Robert Gourlay. Then we can look forward to an extension of international broadcasts devoted to education; when the war is over I hope that we can hear school programs from Great Britain, from our sister dominions, and from our neighbour nations on this continent. I am certain that radio has an important role to play in the education of the rising generation, in this particular field of school broadcasting.

Turning now to the more general field of entertainment to music, drama and variety, the policy remains to bring to listeners the best of the wide variety of material that is available both inside and outside Canada and to give the maximum of encouragement to Canadian talent. A review of operations over the past three years provides evidence of the application of this policy—always remembering that there is a responsibility to the listener as well as to the aspiring artist or author. This fact is not always apparent to the latter, or to their friends. In an address to the Canadian Club of Ottawa I referred to the claims made on our time and facilities by local pride and sufferers from what I called "microphonitis." The tenor who enjoys a local reputation at church or service club concerts in a small town may be good enough for presentation to a national audience, but on the other hand, he may be only a large minnow in a small pond. I remember

Dr. Johnson's saying of a young lady's verses, "Why, sir, for a young miss, they are very well, but in comparison with excellence, they are nothing." In that atmosphere he may be good enough for presentation to a national audience, but on the other hand he may not be as good as either he or the local opinion thinks he is. We should make our comparisons with excellence. Not that we use only made and established artists; there are opportunities in recital periods in the afternoon or early evening to present promising beginners whose development is eagerly watched. I think when I came to deal with deficiencies I shall call attention to a falling off in our efforts to give more auditions, to have more talent scouts out, a falling off which has been due to war conditions. Nevertheless, we try to give aspiring artists all the opportunity we can. We use young actors and actresses in supporting parts in dramas; now and again we come across a youngster who is worthy of more than that. One of the leading roles in our recent production of "The Gondoliers" was taken by a young lady, seventeen years old, who scored, by the way, a remarkable success. We have made some experiments in workshop drama, unfortunately interrupted through pressure due to the requirements of war programs. This, of course, will be resumed as soon as possible.

In the regions there are audition boards which hold regular auditions. They are independent boards made up of leading musicians, teachers and critics, with a representative of the C.B.C. sitting in. The board for the British Columbia region, to take an example, consists of representative musicians chosen by the executive of the Vancouver branch of the British Columbia Music Teachers' Federation and one outstanding laymen who has shown an interest in music—frequently one of the music critics for the local press. During the last three years these boards have auditioned some 2,600 applicants, of whom just over 360 have received radio engagements. Some of these were groups or ensembles rather than individuals, so that the number of people actually employed is higher still. Then apart from these formal auditions, our own producers will call people whose names have been brought to their attention to be auditioned for a special part in a play or feature program. During the recent workshop experiment in Toronto, 261 people were so auditioned; 62 newcomers were used, and 17 of those have since obtained regular professional radio work. No serious candidate for music or dramatic work or for announcing should find any difficulty in obtaining an audition—apart, that is, from any trouble the candidate may have in getting to a place where facilities for auditions are available.

I have heard it charged that the C.B.C. relies too much on one set of talent year after year. There may be a little in that charge. I would like to examine it. As a general indictment I do not believe it is true. We have done a great deal to seek new talent. And there is this to be remembered. In order to make it worthwhile for the best radio actors and actresses to remain in the field, we must use them fairly often. The fees we can afford to pay are not high enough to keep these people free for radio work unless they can be used, on an average, once or twice a week. There is another point too which may have escaped the notice of the lay critic. The amount of rehearsal time, particularly in feature programs on which an orchestra is used, is necessarily limited—I said something about that a little while ago. We cannot afford to have musicians sitting idle in the studio while inexperienced actors are learning to read their lines properly and having faults of radio technique corrected.

Of the general picture in this respect I can give some significant figures. Regular reports are received on the numbers of artists and performers who have received payment for participation in C.B.C. programs. During the fiscal year 1940-41 no less than 3,492 names appeared; during the nine months ending December 31, 1941, we have used and paid for the services of 3,776 separate individuals. These figures of course refer to people who may have appeared

just once in a small role as well as to those to whom radio is a profession and who look to it wholly or in large part for their livelihood. They do not include any member of the C.B.C. staff, who if they appear on C.B.C. programs receive no extra remuneration of any kind beyond their normal annual salary.

Since the last committee, that is between March 1939 and the 31st December last, we have paid to Canadian artists, musicians, authors and composers over \$2,400,000.

On the creative side, too, we have been alert to explore and develop Canadian talent. Canadian authors and Canadian composers have been well represented on the programs we have broadcast. There are more than 150 Canadian composers whose works, light and serious, long and short, simple songs and full-length compositions in symphonic form, have been performed on our network. We have given first performances or first radio performances to many important modern works. For instance, Pierne's "Children's Crusade" (*La Croisade des Enfants*), "Canadian Fantasy", by Jean Coulthard Adams, the Vancouver composer; three new full concerti for solo instrument and orchestra, Robert Farnon's Symphonic Suite, and compositions for piano by James Calihou (the pen-name for the late Leo Pol Morin).

Then, turning to drama, in the past two years we have presented on the English network 704 dramas of half-hour or one-hour length. For 80 per cent of these, Canadian authors have been wholly or partly—that is by adaptation—responsible. I should mention the series "They Shall Not Pass", by William Strange of Toronto, and another series by John Gaunt, the Vancouver writer, "This England". Both these series were especially appropriate for these times. And I must not forget "Christopher the Cricket", an original and delightful operetta-fantasy, with music and words by two Canadians, Winifred Renworth and Fletcher Markle. Another interesting experiment in music and drama was a performance of "Payload". This was a feature drama which described the genesis of development of commercial flying in Canada. It was written by young western Canadians, Margaret Kennedy and Anne Marriott. Original incidental music for it was composed by another young woman from the west, Barbara Pentland. The adaptation of the York and Chester Mysteries, heard on the national network on Christmas Day, was the work of one of our own staff, Andrew Allan, while the original music was by Dr. Healey Willan of Toronto. That work, by the way, received special commendation from the critics. Many of the authors whose works we used came to light through the dominion-wide drama contest of 1939. We have just started a new serial drama, "Newbridge", by the Canadian author, Alan Sullivan. This drama, which runs five times a week portrays wartime life in an average Canadian community. The completely new cast is being well received. It is in some respects an experiment. It was an endeavour to give to a serial something of the character of the C.B.C. tradition without some of the alleged deficiencies of commercial serials that have been subject to criticism.

Before I leave the subject of programs I should like to say a word about the service we are giving to French-speaking Canadians who live outside the hearing range of stations on the French network. I have already, when dealing with coverage, made some mention of the experimental work we are doing with short wave broadcasts of French programs. Apart from this, a number of programs, some ten a week, are announced in both languages, such programs as the Symphony from Montreal, Serenade for Strings, The Grenadier Guards and "Ici L'on Chante".

I want to tell you, too, about what we have done for the thousands of French-speaking listeners who live in the prairie provinces. The prairie regional transmitter, CBK, at Watrous, Saskatchewan, carries every day news bulletins in French, and in addition we have made arrangements for some of the more

important programs on the French network to be recorded; the discs shipped by airmail to Watrous and broadcast from the 50-kilowatt transmitter for the benefit of French-speaking listeners. This practice is regularly carried out with such programs as "Radio Theatre", "Un Homme et son Pece", "Je me Souviens" and "La Survivance Francaise". As occasion arises, other special programs, particularly important talks, are dealt with from time to time in the same way. This service is very highly appreciated by those for whose benefit it is intended.

I want to tell you something of what we are doing with regard to religious broadcasting. Three years ago we set up the National Religious Advisory Council to advise us on all religious broadcasts carried on the C.B.C. network or on individual stations. This council consists of representatives of the main Canadian denominations: Roman Catholics, Anglicans, United Church, Baptists, and Presbyterians; smaller groups such as the Lutherans, Salvation Army, Christian Scientists, Jews, and others are also represented. This council meets monthly in Toronto and the meetings are attended by our Supervisor of Institutional Broadcasts. At these meetings, it makes arrangement for the supervision of religious broadcasting and for the allocation of speakers on the network periods.

These network periods are two half hours every Sunday afternoon throughout the year. They consist of a special radio service with hymns, prayers, scripture reading and an address. Their aim is to present the broad principles of the Christian faith while at the same time preserving a denominational flavour.

Every Wednesday evening during the winter season we present on the national network a less formal religious program called "Mid-week Meditations". It consists of choral singing of well-known hymns connected by a sequence of prayers, worship, commentary, and includes a brief message of from two to four minutes on an inspirational and broadly Christian basis.

From time to time, too, we arrange for special religious talks, as for example, the series of four talks given in April by prominent Canadian churchmen on the subject of the Bible and its relation to the present day.

Local committees of the National Religious Council in our various production centres arrange for local broadcasts of "Morning Devotions". One-quarter hour every week-day morning consisting of music, prayers, scripture reading, and a short devotional address. In some cities, too, we give coverage to local Sunday morning church services; the order of such services and the choice of churches are arranged in co-operation with the local advisory council.

For all the religious broadcasts that I have just mentioned we do not charge any fee either to the individual church or to the denominations for the use of our network or of individual stations. If any religious body wishes to originate a broadcast direct from its own church rather than from our studios, the cost of the local loops connecting their church to the studios is borne by the church itself.

In the province of Quebec the regular religious programs are as follows: throughout the fall and winter we broadcast every Sunday a one-hour religious program called "L'Heure Dominicale". This has been a French network feature for some six years now. Then every week-day morning there is a 15-minute religious program "Elevations Mututinales" which is broadcast from Quebec.

There is one other set of programs to which I think there should be reference and about which there is constant argument as to whether we are not over-specializing. This is a set of programs to be directed especially to women. There are two schools of thought and the controversy becomes so acute I would not myself be disposed to attempt to give a ruling on it. In any event may I just say a word about the work we are doing especially for women.

The aim of our women's service talks is to enable women throughout Canada to form an opinion on the contribution they can make to the war effort in their

homes, in their communities, in voluntary war work and in full-time paying jobs. These talks to women are broadcast every afternoon except on Saturday and Sunday.

Subjects which have been dealt with during the 1941-1942 season include nutrition, child guidance, consumer information, health in the home and in the community, home recreation, and citizenship.

At the present time we are broadcasting a weekly commentary designed to interpret government regulations, to give information about commodity shortages as they affect household buying. Another weekly series is called "Women on the Job". It consists of interviews with women in war work, whether voluntary or paid. This series is arranged in co-operation with the office of selective service and the Department of Munitions and Supply. Among those who have so far been interviewed are voluntary war workers, women with the land army, women on active service or in munitions plants, as well as in other skilled and semi-skilled trades which are in need of more women recruits. Another of this year's series is designed to encourage women to raise garden herbs for use in their own kitchens to supplement a dwindling supply of cooking spices from the Far East. In connection with this series, we have prepared and published a herb chart giving instructions for planting and cooking culinary herbs grown in Canada. So far we have received 4,500 letters asking for copies of this chart.

The public reaction to talks for women is not unsubstantial. In order to determine this reaction, we have found special publicity through women's clubs was the most effective way of testing audience reaction. If I may quote two instances: the Ontario Branch of Home and School Clubs reported that as a result of a radio survey, they found that of 30,000 members, 41 per cent listened all winter to C.B.C. women's service talks either in groups or at home. On a similar scale we received a letter from a child study group of Govan, Saskatchewan, consisting mostly of women just off relief. They listened regularly all through the winter and at their annual meeting they sent three pages of comments dealing with the series.

We have had admirable co-operation from women's organizations in publicizing these talks—and our gratitude is certainly due to them—national organizations and institutions representing more than 1,000,000 women, such as the National Council of Women, Federation of Women's Institutes of Canada, the National Y.W.C.A., National Federation of Home and School Clubs, Ukrainian Women's Association of Canada, Women's Catholic League, Provincial Department of Education (which in some provinces circularize all teachers), Montreal Soldiers' Wives League, Toronto Housewives League, United Farm Women of Ontario, United Farm Women of Alberta, the Toronto Council of Women, International Trade Union Auxiliaries, and so forth. The publicity takes the form of announcements at meetings, circulars which they send out to members, and announcements in club organs.

This, I hope, will give you some idea of the very important work we are doing in order to bring to the women of Canada messages and information designed especially for them, that is, if it is agreed that women prefer to have a special message and a special set of programs. That is the hypothesis upon which we are working.

We come now to the fifth recommendation of the last radio committee of parliament. This has to do with commercial broadcasting.

Recognizing the necessity of planning and balance in public service broadcasting, your committee notes with approval the corporation's determination that the present ratio of commercial to sustaining network programs should not be increased.

Three years ago, in March 1939, commercial programs took up 30 per cent of the corporation's network broadcasting time. That was the figure the last committee approved as satisfactory. During the past year commercial programs accounted for 14.6 per cent of our network broadcasting.

Those figures should not be compared at this stage. There has to be an analysis of it. It does not mean there has been a reduction of quite that proportion.

Of course I do not mean to say that the C.B.C. station carried more than 14.6 per cent. That figure is an overall average; some stations carry more and some less. But not even the busiest of our stations fills more than 26 per cent of its time with commercial programs—a figure below that which the last committee regarded as not at all excessive.

On the other hand there has been, as you will recall, a very considerable expansion of the total amount of broadcasting, 35 hours a day.

The revenue derived from these commercial programs is a very great help in enabling us to improve our sustaining service. We will get more details of this from my colleague, Dr. Frigon, but as to rough figures of a budget of 4,000,000 we depend for 1,000,000 on commercial operations.

But I should like to make it very clear that considerations of revenue are not the only ones that influence us in accepting such business. We have for example practically given up one very lucrative source of revenue—what is commonly known as “spot announcements”. For reasons of policy we abandoned that, and where they occur now it is only in connection with war effort and the operations of private stations. Sponsored time signals we carry but this is a public service. The best of the commercially sponsored programs are among the most popular on our schedules. Some of them are of cultural and artistic value—I might mention such programs as “S'il vous plaît”. “The Album of Familiar Music” and the Lux Radio Theatre. And there is a wide and insistent demand—a very understandable demand for such popular favourites as the Happy Gang, Fibber McGee and Molly, which by the way, I see according to the latest ratings in the United States is in the forefront of all organized entertainment by a substantial majority.

Mr. COLDWELL: And deservedly, too.

The WITNESS: Jack Benny, Charlie McCarthy, the Aldrich Family and others of that kind.

These programs, of course, are the finest product of the entertainment industry of the United States and they are going to be listened to in North America whether we carry them or not. We are in the fortunate position of carrying them to the advantage of our listeners, while being paid for them at the same time.

The listeners of Canada enjoy these programs and I feel it is our duty to see that they can hear them. Too many people who live in the icy and rarefied atmosphere of higher thought are inclined to condemn a program merely because it is sponsored.

Then there is the question of the duty we owe to the manufacturers and retailers of Canada, which is another aspect of the commercial side of the business which cannot be ignored. In this day, and particularly on this continent, radio is an important and necessary medium of advertising; we cannot justly deny it to Canadian industry.

And here I should like to mention what I consider to be an important advance in our commercial activities. That is the very considerable increase in commercial programs of Canadian origin.

Network commercial broadcasting consists mainly of programs of 15, 30 or 60 minutes duration booked anywhere from one period a week for the long programs, to five periods a week for the 15-minute shows, and running

in series for 13 or more weeks. They include drama, sport, question programs, straight instrumental music, variety programs and so on.

Now at the time of the last parliamentary committee, Canadian originations formed only 43 per cent of such programs; the remainder came to us from the American networks. For the year 1941 the figures were reversed; 55 per cent of the programs were of Canadian origination, 45 per cent coming from the States.

This has meant incidentally, increased employment and increased income for a great many Canadian artists, and some others. I cannot tell you what the financial advantage to them was in figures, as the salaries and expenses are paid by the sponsors. They must have been considerable. I can give you some idea of the extent of employment given on a dramatic series. The ordinary fifteen-minute dramas such as those created at production points like Toronto or Montreal are mostly series of five episodes a week. During such a series the personnel used will amount to at least twenty people—fifteen actors, two sound effect men, one announcer, one producer and usually one or more musicians. The personnel engaged in the more ambitious half-hour dramas will amount over the series to at least 30. When you consider that we are producing twelve quarter-hour dramas, ten half-hour dramas, and three one-hour dramas, you will realize the large number of actors and others who are getting employment in this way. It is more difficult to estimate the numbers engaged on musical and variety programs, as they may vary in make-up from a full sized military band, such as that of the Canadian Grenadier Guards, of Montreal, through large string and orchestral ensembles down to orchestras of ten pieces or less with vocalists, choirs, comedians and small dramatic casts. Thus the increase in Canadian commercial programs has meant a good deal to Canadian artists.

In this connection a tribute is due to the French net work, who have necessarily had to develop, by their own initiative and enterprise, the whole of their spoken word commercial broadcasting. This was no mean achievement. Such programs as *La Pension Velder*, *La Vie de Famille* and many others are established as favorites among French-speaking listeners.

Recently a further step has been taken in order, on the one hand, to give Canadian advertisers more ample opportunities, and on the other, to provide alternative programs to listeners. This was the setting up of an alternative national English network as and when required, enabling advertisers to be reasonably assured of obtaining network time. In arranging these new facilities which consist largely of private stations now supplementary to our national network for commercial business, we have incurred practically no additional capital expenditure, and very little in the way of additional operating personnel.

An important consequence is to release time on the national network badly needed for war purposes.

The next recommendation of the last committee read as follows:—

(8) Your committee recognizes that the responsibility of controlling and co-ordinating all broadcasting in the public interest rests upon the corporation. In this connection your committee wishes to express its gratification at a better understanding between private stations and the corporation recently attained.

There are in Canada to-day seventy-four privately owned radio stations. Of these 26 are what we call "affiliated" stations which form, with our own stations, the C.B.C. basic network. An affiliated station is one to which we supply radio programs by means of landlines leased from the railways. We make available to them the full schedule of sustaining programs; we bring them network commercial programs, from which of course, they get substantial revenue.

They are necessary to complete coverage, and to make our message get right across Canada.

Affiliated stations are required to broadcast C.B.C. sustaining programs for certain hours every day. This reserved or contract time amounts on an average to three hours daily; in addition provision is made for the release of C.B.C. national or regional news. Some stations broadcast more than the minimum required by the agreement. A recent survey shows that affiliated stations release on an average $7\frac{3}{4}$ hours every day of C.B.C. sustaining programs. This arrangement is of advantage both to the listening public and to the stations concerned. To the public C.B.C. programs are made more readily available, while the private stations receive sustaining service that they could not secure otherwise, even if they could afford it.

Then there are thirty-five supplementary stations. To these we feed C.B.C. sustaining service daily.

To the remaining stations we continue to give important national programs such as addressed by His Majesty the King, The Prime Minister of Canada or by Mr. Winston Churchill, President Roosevelt and so on. In view of the importance of ensuring that these programs reach a maximum audience, the C.B.C. usually defrays the extra line costs involved in this exceptional service.

The responsibility for controlling and regulating all broadcasting stations in Canada is laid by Statute upon the Board of Governors of the Canadian Broadcasting Corporation.

Such regulations as are passed by the Board of Governors are administered by the C.B.C. through its station relations division.

The better relations between the C.B.C. and the private stations mentioned in the last report have been consolidated and improved. It is appropriate here to express appreciation of the way in which the private stations have co-operated in giving the widest possible distribution to programs designed to further the war effort.

It is always well to keep in mind that it is not an easy job to reconcile the interests of public service broadcasting and private broadcasting. There was a time when my experience had been limited to the British Broadcasting Company and the British Broadcasting Corporation. Then I was a purist in my view about the use of broadcasting, and opposed to its commercialization in any sense. But having studied the problem in Canada with a relatively small population and an enormous area to be covered, one's theories have to be modified in the light of what is possible and practical.

In war time Canadian broadcasting should be regarded as a unit, one part of which is commercial and the other in public service.

Taking that fundamental difference into account I think that an admirable measure of give and take and a good sense of public spirit has been displayed by the vast majority of private operators.

There is always a danger that a regulatory body will be viewed by those it controls as a meddlesome bureaucracy, and particularly so in this case when in one sense we are operating a competitive business.

During the past year the supervisor of station relations has visited most of the private stations in Canada, and has met the managers of all of them. He has made a point of meeting the staffs of the stations he has visited, in order to help them in the interpretation of regulation requirements and correct policy procedure.

Whenever special circumstances or difficulties exist we try to find a solution which protects the public interest. That comes first and foremost. Special action was taken in the case of Prince Rupert—inadequate, I agree, but it was all we could do at the time—Grande Prairie and Flin Flon; these stations are not connected by land line with any network, so it was arranged for them to have permission to pick up the programs by air and rebroadcast

them. To help Prince Rupert where reception conditions are far from good, I described yesterday what was done.

The private stations have their own organization—or most of them have—represented by the Canadian Association of Broadcasters which was founded some six years ago and which has recently developed in scope. Relations with the CAB are satisfactory. There is continuous joint action. For example, in 1939, on a committee to deal with the problems presented by the general election; also on the radio committee of the victory loan and war savings campaign.

The C.B.C. also performs liaison functions between radio stations and the Department of Pensions and National Health. This is an important additional responsibility from the angle of public interest. In this capacity it serves to protect the listener from false and misleading claims made by sponsors on behalf of patent medicines, foods and drugs. Naturally the C.B.C. does not set itself up as a medical censor; but it does insist that all advertising copy of this kind must be submitted in advance and it is then referred to the Department of National Health for opinion. That is a statutory obligation. Nothing may be broadcast about any article, product or treatment for which nutritional, medicinal or health claims are made, unless the copy has been examined and approved by the federal health authorities.

By Mr. Coldwell:

Q. Does that apply to the private stations as well?—A. Yes.

The station relations division clears over 3,000 pieces of such advertising matter every month; and most of it, of course, would be from private stations. These represent over 800 different accounts, of which 75·6 per cent concern food, 17·5 per cent drugs and 6·9 per cent patent medicines.

Then the next resolution of the last committee, the radio committee of 1939, read as follows:—

(12) On the matter of political network broadcasting your committee is of the opinion that serious consideration be given to placing such broadcasting, during federal and provincial election campaigns, on a sustaining basis exclusively, with the understanding that the time so provided will be divided equitably among the political parties. Your committee is also of the opinion that network party political broadcasting between elections should remain open to purchase, subject always to consideration of fair distribution and program planning.

This matter naturally was regarded as important and was tackled as soon as possible. The final report of the last committee was published on May 9, 1939; and two months later, on July 8, the Board of Governors issued a statement of policy with respect to controversial broadcasting. For the sake of brevity, I might refer to this as the white pamphlet. I think copies are in your possession.

Sections A, B and C of this pamphlet covered the whole field of party political broadcasting, dominion elections, provincial elections and periods between electoral campaigns.

The white pamphlet does not make specific provision for municipal elections. Inasmuch as the Broadcasting Act (section 22, subsections 3, 4 and 5) gives the corporation jurisdiction over all political broadcasting, it was felt that by analogy, municipal elections might be construed as subject to the same rules as those for provincial elections, and upon that basis we have proceeded. By a similar construction of the words "election period" we have treated by-elections as general elections in miniature, and have tried to interpret the policy accordingly. As a result, the medium of radio has been made available for specific political needs, subject to certain modifications.

Too much political broadcasting would defeat its own ends. Even in the height of the most exciting election campaign, the average citizen does not want to hear an election address every time he turns on his radio. That applies, I think, in certainly eight of the provinces of Canada, although I am advised by my colleagues in the province of Quebec,—and my own experience confirms this view,—that there is a much more avid appetite for political speeches in the province of Quebec than elsewhere. In fact, I think in the province of Quebec it is regarded not only as information but also as entertainment.

By Mr. Fournier (Maisonnette-Rosemount):

Q. Why is that? What is the reason for it? Do you know?—A. Presumably the existence of a higher average standard of eloquence.

I believe that the provisions of the white pamphlet give the listener protection from excessive politics and at the same time assure to parties large and attentive audiences.

I should point out that when the white pamphlet was being discussed and being drawn up, a state of war was not envisaged. I suppose it is a matter for argument whether war puts a different complexion on these things or not. But such wartime restrictions on political broadcasting as the banning of broadcast addresses from public meetings are in no way the responsibility of this corporation. We did not invent them; we did not impose them. They came from the censorship committee and the C.B.C. was in this respect no more than part of the machinery for seeing that the regulations were carried out. We acted in a liaison capacity in the matter of this up to March of this year. Now all matters concerning radio censorship are out of our hands and handed over to the censorship authorities who deal directly with the private stations.

The board, after carefully considering all factors, was inclined to postpone implementing the new policy until it could be tested under more normal conditions. You have already had some of these things, but I had better recapitulate it for the purpose of continuous narrative. On January 22, 1940, the board decided that sponsored political or controversial broadcasting on C.B.C. stations, networks or hookups should be suspended except during elections, for the duration of the war. Accordingly, section C of the white pamphlet was withdrawn; this section had permitted the purchase of time outside election periods for political broadcasts on C.B.C. stations and networks. Just at that time there was a suspicion that a general election was pending. I do not wish to say more in that connection, because already a witness has been accused of uncanny foresight. The board were inclined to feel that the times were not propitious for putting into practice the new and untried policies outlined in section A. A resolution was passed which reduced the provision of free time for party political broadcasting during the election to limited free time for leaders, leaving it open for extra time to be purchased. A meeting of representatives of all parties in the house was immediately convened to hear this decision of the board. You have already heard from Mr. Coldwell the agreed memorandum of the discussion and conclusions. It was a memorandum which I drafted and circulated to all those present afterwards, so it was an agreed record and I believe it is in Hansard. Those present at the meeting were unanimous in agreeing that there should be no sponsored broadcasts on the national network; they were, however, also unanimous in expressing a strong desire to see the white pamphlet relating to national network broadcasts implemented in spite of the changed circumstances. That is to say, that the corporation was asked to put national network broadcasts on a no-charge basis, with time equitably divided among the several parties. I accordingly undertook to present their views to the board and to try to get further direction. The board accepted the wishes expressed by representatives of the parties in the house and as a result, political broadcasting during the

dominion election campaign was administered in the light of the provisions of section A of the white pamphlet.

By Mr. Coldwell:

Q. You regard that as quite satisfactory, that experiment? I asked Mr. Morin if that was regarded as a satisfactory experiment, and his answer was, yes.—A. Speaking for myself, yes; I did not know that he had said that.

Q. I was going to ask if you thought that too?—A. I thought it was satisfactory. However, it may be subject to revision when we have a multiplicity of parties; I mean, if and when..

Q. When the balances change?

Now, as to provincial elections, (and this is a very knotty problem). It was stated in the white pamphlet, that, if the plan proposed for dominion elections proved satisfactory, a suitable modification designed for provincial purposes would be drawn up. Until such time regional networks would be available for purchase, and private stations as distinct from C.B.C. stations would be at liberty to sell their facilities for local broadcasts and to join together in subsidiary hook-ups. The situation in this respect is still fluid. No one imagined that the answer to every political broadcasting problem would be found with the four corners of the white pamphlet. This document and the board resolution of January 22, 1940, (withdrawing section C for the duration of the war) were meant to be guiding principles rather than rigid provisions; they were framed so as to be susceptible to a reasonable and flexible interpretation in the light of changing circumstances and specific conditions.

During the period under review, that is the three years, there have been six provincial elections. Those in Quebec and New Brunswick antedated the dominion election, and they were accordingly treated in the light of paragraphs 29 and 30 of the white pamphlet. The 1940 Alberta election ran almost concurrently with the dominion election; five days difference, I have forgotten which way it was. We considered the possibility of applying section A in a modified form—that is to say treating it in much the same way as the dominion election was being treated. But in conformity with the policy laid down in section B, paragraph 29, of the white pamphlet, it was felt that as the policy had not at the time been tested in the federal field, we should not go ahead and extend it to the provincial field; especially as we had no C.B.C. transmitter in the Province of Alberta. The broadcasting arrangements were the same as for the elections in Quebec and New Brunswick—the provisions of paragraph 30 of the white pamphlet.

The arrangements for these three elections seemed to satisfy the political parties and the listeners, and so far as no attempt has been made to apply section A or any modification of it to the provincial sphere. It might be a matter for your deliberations as to whether this is the correct procedure. The elections in Manitoba, British Columbia and Nova Scotia also were treated in the light of paragraph 30.

I referred a few minutes ago to the need for a reasonable and flexible interpretation of the policies outlined in the pamphlet. Let me give you just one example. The complex picture of party politics is, to us in the radio business, made more complicated by such technical problems as the vagaries of ground conductivity and their influence on signal strength in some districts. Now and again in spite of the provision banning the sale of C.B.C. stations for local political broadcasts, during election time, it has been found necessary in the interests of justice and impartiality, to release a C.B.C. outlet for this purpose. This was the case in one Quebec area, Chicoutimi; and in British Columbia; in other words, there was no other way in which the signal would reach every part of the country. Therefore, there were two exceptions made to the rule.

By Mr. Coldwell:

Q. Which C.B.C. station provided the exception?—A. That was CBR. That station gets into some districts which are not reached by the others, and of course there are some districts into which it does not reach.

So much for broadcasting during the periods of election campaigns. Now what has been done with regard to political broadcasting at other times? And here I am getting on dangerous ground. The white pamphlet following out the recommendations of the 1939 parliamentary committee, practically gave an open field for this, but the board resolution of January 22, 1940, drawn up with the new conditions created by a state of war in mind, revoked this policy. I therefore proceeded accordingly.

It was not long before various provincial leaders, particularly in Ontario and British Columbia, began to agitate strongly for network broadcasts on provincial issues. There were similar representations from representatives of opposition parties in the dominion field. These were brought to the attention of the board and I was instructed to make available, if requested, a reasonable amount of free time, starting a new experiment, to enable the premier and the leader of the opposition in any province of Canada or their accredited representatives, to discuss political issues. Accordingly it was arranged, after consultation with Mr. Hepburn and Colonel Drew, for an experimental broadcast on these lines.

The rules governing this matter were briefly as follows:—

- (1) Agreement of the parties on the subject or subjects to be discussed.
- (2) Nothing harmful to the war effort.
- (3) Observance of Defence of Canada Regulations.
- (4) Preservation of programme balance—a necessary provision in the case of people who might want to speak for two or three hours.

On April 19, Colonel Drew spoke for 30 minutes over an Ontario network, and was followed a week later by Mr. Hepburn, who also spoke for half an hour over the same network.

While these negotiations were going on the situation was being complicated by increased pressure in the dominion house. Once again I went to the board and, from a committee of it then sitting, I got instructions to get in touch with representatives of the various parties in the house at Ottawa, and to arrange an experimental series. There was a meeting with representatives of the Conservatives, Cooperative Commonwealth Federation and Social Credit views. The various leaders, Mr. Hanson, Mr. Blackmore, and Mr. Coldwell, had a free national network, each speaking on a different evening.

Meanwhile the Premier of British Columbia had requested a paid subsidiary network to discuss and explain certain of his views, which he said were urgent in the light of war requirements at that time. This request was refused under our policy, but I asked our British Columbia regional representative to call upon Mr. Patullo and upon the leaders of the other two parties, and to offer them such free facilities for a forum as were subsequently given to the Ontario leaders. All parties accepted this principle, but no request for a network to discuss any particular agreed issue was received from them. I am not sure of this, but I understand there were discussions afterwards and there was some difficulty about defining the subject for debate; in any event, that being one of the provisions prerequisite, the matter did not become a practical one and did not go forward.

At its meeting on June 26th, 1941, the board of governors reviewed the results of the experimental series of broadcasts and decided that no further free broadcasts of this nature should be carried for the time being. I do not know what the grounds were, as a matter of fact.

This then is the history in brief of political broadcasting during the period under review.

I would be extremely ungracious if I did not pay this tribute. I am happy to record that the many prolonged and complicated negotiations between the C.B.C. and the parliamentary leaders have been carried out without friction, with a mutual understanding of difficulties and uniformly with due regard to the public interest in war time.

Now, just a word about staff relations: (this will be taken in detail by my colleague, but I am just referring to it in passing).

I have already said something about their origins, about the wide area they represent, about the broad Canadianism represented, and about their enthusiasm for the work they are engaged in. With thirteen years previous experience in broadcasting elsewhere, I have no hesitation in giving it as a considered opinion that the staff of the C.B.C. is a remarkably efficient and devoted body of public servants.

At present, the Canadian Broadcasting Corporation has 657 employees. At the time of the last committee that figure was 513. When there is considered the great increase that has taken place in the last three years—the increase of broadcasting hours from nineteen to thirty-five hours a day, the opening of the new transmitter at Marievalle, the beginning of short wave broadcasting, and so on, it is perhaps not surprising that there is still excessive overwork and a dangerous absence of a factor of safety in terms of human values. I would remind the committee that in contrast to the staff of 657 in the C.B.C. covering operations in half a continent and through five time zones, the B.B.C. staff numbers 11,000, N.B.C. 2,050, C.B.S. 1,940.

I am justly proud of this staff. The men and women who make it up work hard at a job that is always exacting and frequently nerve-wracking. In most businesses, the term "clock-watching" has an unflattering meaning. In this business, we watch the clock for sixteen hours a day; but we watch it because no matter what happens, no matter how much overtime is involved, the show must start at say 7.30 o'clock a.m. and finish at exactly 12 midnight. We work constantly to a hard deadline, and our work has to conform to limits even more rigid than those imposed by newspaper space. There is no provision for supplements or extra pages.

We are most anxious to do all that is possible to make working conditions such as will attract the best young men and women that our country produces. The financial rewards in a non-profit organization of this kind can never be high. There are many members of the staff who could leave to-morrow for jobs that would pay them twice and three times as much as they are now getting, but unfortunately for their own material interests, they have contracted this curious disease or contagion of radio.

By Mr. Coldwell:

Q. May I ask one question following that? I realize the staff is very modestly paid. Has anything been done about the pension scheme in view of the risks and the modest pay?—A. That matter will be dealt with by Dr. Frigon.

Q. All right; we will leave it then.—A. Yes. It has been under very careful consideration. He will give you the facts on the matter.

In concluding this survey of the operations specially assigned to me I would deal briefly with the process of program selection and construction.

The task of framing programs is performed by a Program Scheduling Board which meets at Toronto once a week, under the chairmanship of the General Supervisor of Programs, Mr. Bushnell. This Board works on programs weeks in advance, and its function is mainly to co-ordinate. A good deal of flexibility of arrangement is inevitable, on account of the necessity of accommodating American programs, which are more liable than Canadian programs to last-

minute modification. The C.B.C. regional directors, who come together in conference at Toronto from time to time, have considerable latitude in compiling their own regional programs. There is a constant sifting of ideas. Many of these come from outside, some from radio critics of newspapers and periodicals; others from composers, authors, and discerning listeners.

There is a monthly conference of representatives of all program departments, regional representatives and other executives being included when possible. I attend that meeting and study the deliberations with great care. This meeting provides an opportunity not only for the communication and explanation by me of policy decisions, but also for the consideration of criticism and new ideas. Full provision is made for this consideration of criticism. Program correspondence is carefully analysed and sifted. Samples of listener reaction are studied from time to time. The most acute and continuous criticism is from within the organization, through panels of listening committees specially selected.

I have selected at random notes of one of the monthly program conferences, and I shall read just an extract:—

Discussion about War Programs in General:

The general manager raised the question about the effectiveness of our war programs in general, taking into consideration the whole picture. A lengthy discussion followed in which the following points among others were raised:—

Quality and style of announcing. Listeners are becoming tired of having young men continually exhort them in a loud, forceful manner to "Buy Victory Bonds" or war saving stamps, to save scrap, or to get going generally. It seemed to be generally felt that more sincerity and less shouting was desirable. The same criticism of lack of sincerity and authenticity was applied to other aspects of war programs: e.g., using an actress to impersonate the "average housewife." Some of the announcers who have been in Britain might be brought back and others sent over to get similar first-hand experience.

Listeners develop a resistance to some of the more blatant continuous type of propaganda, and they also have developed a cynical or suspicious attitude toward C.B.C. programs, dismissing them as "just more government propaganda."

Programs are being planned for and directed at the "great Canadian public," whereas to be most effective it is necessary to recognize that the Canadian public is made up of fairly distinct and well-defined classes or groups, which have special interests and ways of thinking. Special programs should be planned to catch the interest and meet the needs of these separate groups, such as farmers, the working classes, office and professional workers, youth, etc. Likewise there are different reasons motivating people to support the war. Our propaganda should take into account these motivating forces and contain a variety of appeals: i.e., appeals based on support of the empire, Canadian nationalism, social reform, maintenance of our way of life, preservation of freedom and independence, desire for more justice and equality, religious convictions, etc. The C.B.C. should attempt to maintain closer contacts with the different sections of the people and keep in touch with the ideas and reactions of the listening public.

Greater opportunities for listener participation should be provided.

Not enough ideas are included in program content. Our social structure is undergoing rapid and far-reaching changes and consequently, people's ideas are likewise in a state of flux. Radio should be providing an opportunity for expression and consideration of these changing ideas.

Listeners' personal perplexities and confusion might be clarified to some extent by such discussion. Two specific program ideas were proposed to meet some of these needs: (a) A question and answer program was suggested as one method of providing an outlet for these problems and an opportunity for listener participation; and so on.

By Mr. Coldwell:

Q. What is the date of that conference?—A. The 21st of February.

Q. Quite recent, I imagine?—A. The 21st of February. That is typical of the nature of the discussions, the actual mental workshop behind program construction.

By Mr. Hansell:

Q. How often would a conference of that kind be held?—A. At least once a month and sometimes once a fortnight.

The monthly program conference is the C.B.C. workshop on the creative side. Special attention is given to the avoidance of getting into ruts, attention is paid to the injection of new ideas, the encouragement of brightness and flexibility, and the maintenance of standards and appropriate balance. War moods are studied, also the temporary predominant notes of Axis propaganda, based on regularly analysed evidence brought forward from various sources including our own listening. There is in effect a process of continuous overhauling, with adjustment of activities to resources, in the right order of importance.

The method of creating program peaks is carefully applied. It is not possible within the limits of our resources and staff to maintain peak standards throughout the whole structure of sustaining programs; but an endeavour is made to produce special series of programs of distinction, suitably spaced throughout the year.

Mr. Norman Woelfel, Associate Director, Evaluation of School Broadcasts, Ohio State University, U.S.A., in an interesting article in "Frontiers of Democracy," April, 1942, dealing with radio as a builder of wartime morale, states that the first condition of successful achievement in this field is "that everyone should possess a deep sense of pride in the positive achievements of the national culture of which he is a part." This means that quite apart from war programs as such, radio has a function to perform in giving the public, during war time, programs of the highest quality reflecting the traditions and culture of the characteristic community. Once the first reorganization caused by war conditions had been accomplished, the C.B.C. set itself to fulfil this function in the following way:—

Theatre of Freedom

From February 2 to April 27, 1941, the C.B.C. presented on Sunday evenings a series of dramatic performances of an hour's duration which were "an offering made by our playwrights and actors to the cause of democracy, which is at stake in the world war to-day. That is an extract from the publicity. The stars of Hollywood and Broadway, the dramatists of the stage, the film and radio, gave freely of their best to Canada, as a means of heartening and inspiring the listening audience throughout the dominion, and beyond its borders. The list of plays and players is as follows:—

I won't read that but it can go on the record. It covered a very wide field and the authors were all of the highest distinction. A very large number of appreciative letters were received from listeners in all parts of the Dominion and the United States.

"Seems radio is here to stay"—Norman Corwin, starring Phillips Holmes.

"Saint Joan"—by George Bernard Shaw, starring Helen Menken.

"Abraham Lincoln"—John Drinkwater, starring Walter Huston.

"Thunder Rock"—by Robert Ardrey, starring Henry Hull.

"Strife"—by John Galsworthy, starring Barry Jones.

"An Enemy of the People"—by Henrik Ibsen, starring Paul Muni.

"This Precious Freedom"—by Arch Oboler, starring Raymond Massey.

"Pastor Hall"—by Ernst Toller, starring Herbert Marshall.

"Hellas"—by Percy Bysshe Shelley, starring Philip Merivale.

"The Flying Yorkshireman"—by Eric Knight, starring Sir Cedric and Lady Hardwicke.

"Victoria the Great"—from the film by Charles de Grandcourt, Miles Malleon, and Sir Boert Vansittart, starring Anna Neagle.

"This is my Country"—by John Coulter, starring Ivor Lewis.

"The Fall of the City"—by Archibald MacLeish, starring Edmund Gwenn.

Two of the plays were directed by Earle McGill of the Columbia Broadcasting System, and one by Stuart Robertson. The remaining ten were directed by Rupert Lucas.

British Ballad Operas

At the beginning of 1942, the C.B.C. gave listeners on the North American continent their first opportunity, through radio, of appreciating the British tradition of light opera music. This took the form of a season of British Ballad operas from the days of Purcell in the 17th century, down to the present time. The operas, which were presented from Toronto and Montreal, were as follows:—

Handl's "Acis and Galatea".

Purcell's "Dido and Aeneas".

Gay's "The Beggars' Opera".

Balfe's "The Bohemian Girl".

Rutland Broughton's "The Immortal Hour".

Arthur Benjamin's "The Devil Take Her".

Edward German's "Merrie England".

Healey Willan's "Transit Through Fire".

The last of these programs is of particular interest, since for this occasion the C.B.C. took the step of commissioning a new opera on a Canadian theme, by a Canadian composer, with a libretto written by a Canadian, and sung by an all-Canadian caste of singers. "Transit through Fire" was written by John Coulter, and composed by Dr. Healey Willan. It dealt with the struggle of Canadian youth to escape from the disillusionment of pre-war years through self-sacrifice in the present war.

The series of British ballad operas was under the direction of C.B.C.'s Music Supervisor, Jean Beaudet. The performances were given under some of the most eminent conductors, and with the aid of some of the best-known singers in North America, including Eugene Goossens, Sir Ernest MacMillan, Edwin McArthur, Rose Bampton, John Brownlee, Oscar Natzke, and Kenneth Neate—all from the Metropolitan Opera, New York. In presenting this series of programs, the C.B.C. was bringing to listeners' knowledge an essential element in British genius; hence they marked a definite musical contribution to national morale.

War Talks

The C.B.C. has conducted, in 1941-42, several important series of talks relating to the war, which have commanded a continent-wide audience and have contributed a powerful stimulus to popular appreciation of the war situation. The most successful of these series of talks was the two Sunday

evening series given under the title "We Have Been There", by prominent men and women from Canada and the United States, who had recently visited war-torn Europe and Asia and were able to give first-hand accounts of conditions. These two series of talks ran from April 1941, until January 11, 1942. Those who took part included civil servants, newspaper correspondents, radio commentators, distinguished refugees, authors and writers. The whole of both series of talks have since been published in the form of booklets, which have had a larger sale than anything else of their kind yet published in Canada.

Following on the "We Have Been There" series, a new series of talks entitled "Guest of Honour" was started on March 1, 1942, with a broadcast by Eric Knight, which incidentally was one of the four programs especially commended by the United States Radio Institute in Columbus, Ohio, a month ago. This series had a similar morale building effect.

To give you an idea of what is contemplated here are some observations of programs of distinction now being worked out.

Forthcoming Programs of Distinction

During the coming months, a number of important series of programs of distinctive character will be included in the C.B.C. schedules. Mention should be made of two current series. In fact, one of them is just finished—the dramatized version of Mazo de la Roche's well known Canadian cycle of novels, *White Oaks of Jalna*, which has been a very highly appreciated production. There were nine of these broadcasts, given on Sunday evenings from March 22nd to May 17th. Then there was the recently concluded series of feature programs publicizing the achievements of the Royal Canadian Navy. These programs were written by William Strange, who has recently joined the Naval Intelligence Department at Ottawa. Other programs to follow include:—

Variety—Fourteen special 45-minute variety programs, 10.00 to 10.45 o'clock on Sunday evenings from May 31st to August 30th. These programs have been chosen for their all-entertainment value. They will be highly rehearsed and starred with the best material we can get on this continent and will very likely be carried in the United States as well.

Then on the theme of the British Commonwealth, six or seven feature programs dealing with different parts of the British Empire, including Australia and New Zealand, South Africa and India. We have already given the first of these—dealing with Australia. The next will be on Sunday, dealing with New Zealand, and on Sunday week, South Africa. These programs are designed to bring out the culture, history and achievements of our sister-dominions in a concentrated and suggestive form, the hope being that we shall interest our listeners to read more on the subject.

"Canada Marches"—a series of programs now in progress, being the history of Canadian regiments. This has begun very successfully.

By Mr. Isnor:

Q. How long a period does that cover?—A. "Canada Marches"? It will run indefinitely.

Q. Indefinitely?—A. Yes. We hope to cover a good many regiments.

By Mr. Ross (St. Paul):

Q. May I ask if you have a survey of the listeners to these various programs? Have you a survey of how many people are listening?—A. Yes. We study that as we go along.

Q. I think that might be very interesting to the committee.—A. I shall bring forward as much detailed information on that subject as is available on another occasion. I have not got it available just now.

Q. That is all right.—A. Very well.

Then there are the summer promenade concerts, both from Toronto and Montreal. They are, of course, going forward as usual.

Here is a development which is perfectly normal and should be undertaken, but which has given us a great deal of thought in careful planning. That is Russian programs. We are planning a short season of plays which will be alternated with a series of concerts of Russian music. The plays will be drawn from a list including "The Storm" by Ostrovsky; "Krechinsky Decides to Marry"; "Ivanov" by Tchekov; a Tchekov play entitled "The Three Sisters"; a feature drama on Alexander Nevsky written by Louis MacNiece produced by the B.B.C. very successfully last December. The series will also include "The Corner Stones" by Eric Linklater, which is very favourably reviewed; in fact Alan Dent in "The Listener" says this: "Made for broadcasting" and that it is "Doing for the air what 'Thunder Rock' did in the theatre". "The Corner Stones" takes the form of an imaginary dialogue between Abraham Lincoln, Lenin and Confucius. I have not read the script myself, but it is supposed to have very high cultural and dramatic value. Certainly at first glance it seems to have dramatic possibilities, if those personalities are adequately portrayed.

By Mrs. Casselman:

Q. Just where does the conversation take place?—A. The venue is imaginary.

By Mr. Hansell:

Q. Has there been any particular demand from the public at all for Russian broadcasts?—A. Not a substantial demand, but there is growing interest in Russia; and we feel that it is right to interest the people in Russia and make them understand more about Russia, historically and artistically. I think there is a growing demand for that, and that has not been adequately dealt with either here or in the United States. June 22 is the anniversary of Russia's entrance into the war, and we are planning a salute to Russia for that occasion.

Now, there is one other point.

By Mr. Coldwell:

Q. Have you much more, Mr. Murray?—A. Very little more. In addition to what I have indicated already there are several programs of distinction in preparation. These include a new series of plays: "The Baker's Dozen," written by Mr. Fletcher Markle, successful radio dramatist of Vancouver. And then there is a feature in preparation called "Brebœuf and His Brethren"; that is an experimental presentation of the well-known narrative poem by Professor Ned Pratt, based on the story of the Jesuit martyrs at Midland, Ontario, three centuries ago. This poem is to be presented in dramatic and narrative form, with music specially written by Dr. Healey Willan for orchestra and chorus. "Brebœuf and His Brethren" should prove as notable an episode in the history of Canadian music and Canadian radio as was the recent performance of "Transit Through Fire." It will bring Canadian listeners into contact with one of the noblest traditions in the history of Canada—the first coming of Christianity to the North American continent.

That then is a conspectus of the operations with which I am particularly concerned. To my colleague Dr. Frigon, Assistant General Manager and Controller of Finance, is delegated specific responsibility for engineering, finance, commercial operations, staff matters, internal management and the French network. Dr. Frigon is here to deal with these subjects.

I would like to end my preliminary statement by quoting what might be an ideal motto for all broadcasters. In examining ancient records Rudyard

Kipling came across an account of the earliest recorded story-teller of whose description of the romantic legend of Roland it was said that "His words became alive and walked up and down in the hearts of all his hearers." It seems to me that is a singularly striking challenge to all broadcasters, if we could live up to that motto. But, unfortunately, there is a sequel; and the sequel may not be unrelated to the broadcasting situation. But historical accuracy must be observed, and it is only fair to say—and I was reminded of this the other day when somebody described this as an inquest—it is only fair to say that this story-teller was so effective and became so powerful that he excited the jealousy of Roland who had him executed.

The CHAIRMAN: It does not necessarily follow that we will take the same course.

Mr. COLDWELL: I think "inquest" was an unfortunate translation of that word.

The WITNESS: I must thank the committee for its forbearance and kindness in listening so attentively to me throughout this long presentation.

Mr. HANSELL: It has been very interesting.

The CHAIRMAN: Ladies and gentlemen, I am sure that you agree with me that in order to have an intelligent conception of the presentation which has been made by Major Murray that it would be well if it were in our possession to review and read before we have another meeting. In view of that fact, and also of the fact that a great number of committee meetings are being held, as I said before, and the printers and the reporters are being pressed to the limit, I think we should have a meeting probably on Wednesday or Thursday. What is the feeling of the committee with regard to that?

Mr. VENIOT: Who is your next witness?

The CHAIRMAN: We will continue with Major Murray in order that we may review what he has presented.

Mr. CLAXTON: I only bring this forward as perhaps thinking out loud; but in order to save time, because we are getting on in time, could we have some witness such as Dr. Frigon come forward on Tuesday or Wednesday, submitting his statement, and then return to Major Murray when we have the printed proceedings?

Mr. COLDWELL: That would mean that we would meet Tuesday and we could then hear Dr. Frigon.

The CHAIRMAN: All right, we will call a meeting on Tuesday for 10.30 o'clock.

The committee adjourned at 1.05 o'clock p.m. to meet again on Tuesday next, June 2, 1942, at 10.30 o'clock a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 6

TUESDAY, JUNE 2, 1942
THURSDAY, JUNE 4, 1942

WITNESS:

Dr. Augustin Frigon, Assistant General Manager of the Canadian
Broadcasting Corporation

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

TUESDAY, June 2, 1942.

The Special Committee on Radio Broadcasting met at 10.30 a.m.; Dr. Veniot, the Vice-Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Graydon, Hanson (*Skeena*), Isnor, Laflamme, Mullins, Rennie, Ross (*St. Paul's*), Slaght, Telford, Tripp and Veniot—14.

In attendance:

From the Canadian Broadcasting Corporation: Major Gladstone Murray, Messrs. Manson, Bushnell, Radford, Findlay, Miss Belcourt and Mr. G. W. Olive, Chief Engineer and Mr. E. A. Weir, Commercial Manager.

From the Department of National War Services: Mr. Justice T. C. Davis.

From the Department of Transport: Messrs. W. A. Rush, Controller of Radio, W. A. Caton and W. J. Bain.

Dr. Augustin Frigon, Assistant General Manager of the Canadian Broadcasting Corporation, was called and proceeded to make his statement respecting the network facilities, the secretariat, engineering, commercial and financial divisions and the French network programs.

Copies of the following were distributed to the members of the Committee present in the course of Mr. Frigon's declaration:—

1. Miniature map showing the CBC network.
2. Chart of responsibilities.
3. Chart of program organization and of engineering.
4. Skeleton organization chart.
5. Summary of the French network war effort.

The witness tabled copies of:—

1. A plan of staff councils and conferences.
2. Coverage contour map and book.
3. Book of organization charts.
4. Francoeur's talks.

Witness was questioned and retired.

The Committee adjourned until Thursday, June 4, in Room 429, at which sitting Dr. Frigon will conclude his evidence.

THURSDAY, June 4, 1942.

The Special Committee on Radio Broadcasting met at 10.30 a.m. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton-East*), Bertrand (*Laurier*), Claxton, Coldwell, Fournier (*Maisonnette-Rosemont*), Graydon, Hanson (*Skeena*), Isnor, Laflamme, McCann, Mullins, Rennie, Ross (*St. Paul*), Slaght, Telford, Thorson, Tripp and Veniot.—18.

In attendance: Same as appear in the minutes of proceedings of June 2.
Dr. Frigon was recalled and concluded his statement.

The following were tabled and copies distributed to the members of the Committee present:—

- A. A Handbook for Announcers.
- B. An account of Stewardship (CBC) by L. W. Brockington, K.C.
- C. CBC Programs Schedules for the weeks of May 31 and June 7, 1942.
- D. CBC Herb Chart.

A lengthy discussion took place with respect to the building of a short-wave station.

On the suggestion of Mr. Coldwell, the Committee requested the witness to table all the correspondence which was exchanged in that connection.

As previously agreed, Dr. Frigon read a statement relating to the late Louis Francœur and he filed with the Clerk a copy of an article which appeared in *Le Jour*, on January 6, 1940. This article, and its translation were ordered printed. (See Appendix A to this day's evidence.)

A discussion followed, and on motion of Mr. Coldwell,

Resolved,—That Mr. Jean-Charles Harvey, Chief Editor of the newspaper *Le Jour*, Montreal, P.Q., be called at some future date to appear before the Committee.

The witness also read a memorandum respecting the CBC Staff Pension Fund and was questioned thereupon.

Referring to Trade Unions, Mr. Coldwell read an extract of a letter received by Mr. MacInnis from Sir Walter Citrine, General Secretary of the Trades' Union Congress, under date of April 24, 1942.

Mr. Coldwell also read in extenso a memorandum of Dr. Frigon to the CBC Staff relating to Trade Unions, dated June 25, 1941.

In this regard, Dr. Frigon referred to a legal opinion obtained from the Department of Justice, at Ottawa and the Committee requested him to table a copy of same. (See Appendix B to this day's evidence.)

Before retiring, the witness read a statement concerning Jules Romain, a French novelist, and his proposed talk on the CBC network.

The witness filed the following which were ordered printed as appendices to this day's evidence. (See Appendices C, D and F):—

Extracts of minutes of the Board of Governors of the CBC relative to the appointment of the Finance Committee.

Executive of the CBC Staff Councils.

Commissions and payments to Private Stations from April 1, 1937, to March 31, 1942.

The Committee adjourned until Thursday, June 9, 1942, at 10.30 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

JUNE 2, 1942.

The Select Committee on Radio Broadcasting met this day at 10.30 a.m. The vice-chairman, Dr. C. J. Veniot, presided.

The VICE-CHAIRMAN: Ladies and gentlemen, we now have a quorum and the meeting is called to order. As agreed at the close of the last meeting we are to proceed to-day with the report of Dr. Frigon.

Dr. AUGUSTIN FRIGON called.

The WITNESS: My name is Augustin Frigon and my position is Assistant General Manager of the Canadian Broadcasting Corporation. The proceedings of the committee already contain comprehensive and eloquent information on our organization and on its policies. With your permission, I would like to emphasize certain points so as to complete the picture.

First, I propose to say a few words on our network facilities and to give you some details on our internal organization with special emphasis on the secretariat, the engineering, the commercial and the financial division. Finally, I will complete the remarks of Major Murray on our French network and I will cover certain points which were raised at the beginning of these sittings concerning that network.

The CBC takes particular interest in providing service to regions outside of the big urban centres. Two of the high power stations, CBA Sackville and CBK Watrous, are strictly regional outlets. The two others, CBL Toronto and CBF Montreal, also cover large rural areas. Low power repeater stations will serve points which otherwise would be deprived of any network service. It must be explained that for reasons of economy these 25-watt stations will simply be connected to the line and function without attendant. They will broadcast all that is carried by the line but will not permit any program origination from wherever they are located.

I have here a map of all stations in Canada. We have for distribution a copy of that map on a smaller scale giving a list of all stations with indication as to their classification, location, power and so on.

The CBC national network is composed of thirty-five stations, nine of which are CBC owned and twenty-six are owned by private enterprise. The repeater stations will be added within the next few months, we hope, at the following points: Edmundston, North Bend, Ashcroft, Prince George, Quesnel, Wells, Williams Lake, Cranbrook, Fernie, Creston, Kimberley.

To this basic network are added, when necessary, a number of supplementary stations which complete the truly national service provided by the CBC not only through its program organization but also through its physical facilities.

Physically the network consists of all the stations involved connected together by a "network" of circuits specially equipped to carry efficiently broadcast material. We use some ten thousand miles of broadcasting circuits operated by the Canadian National and the Canadian Pacific Telegraphs which, for this

purpose, use not only their own facilities, but also a number of provincial and private telephone systems. The thirty-five national network affiliated stations and twenty supplementary stations (class A) are permanently connected to this network; twenty-six supplementary stations (sixteen class B and ten class C) are also connected to the network through physical lines which may be put into operation on short notice. There are three non-network stations.

It is now possible to link together eighty-one broadcasting stations, and soon there will be ninety-three stations which may be used to reach almost everyone in the country.

It should be clear, also, that private broadcasters play a considerable part in the CBC network activities and that, when it is necessary to arrange for the broadcast of some program on a wide national basis, not only has the CBC to watch its own schedules, but it also has to make arrangements with a great many separate stations owned and operated by so many individuals or companies.

When it is a matter of national importance, owners of private stations are always willing to co-operate to the fullest extent; but even with that support the matter of arranging for bookings and line connections often presents difficulties which cannot be ignored. This involves intricate traffic problems and taking care of numerous commercial and other commitments on all stations and, of course, of the five time zones.

So far as the national net work is concerned, we have permanent agreements with all different stations, according to which our commercial division becomes a network "operator" through which all bookings and financial arrangements are made.

I may add that our agreement with all network stations also stipulates that a number of predetermined periods must be reserved every day on each station for CBC programs either sustaining or commercial. This makes it possible for the CBC to carry across Canada a number of important sustaining programs. This is required of private stations in compensation for the very valuable service of sustaining programs they receive from the CBC. Affiliated stations also derive substantial benefits through their affiliation with the CBC commercial and sustaining activities.

In Quebec, the national network is composed of seven stations, three of which are owned by the CBC. This regional group constitutes the so-called French network of the CBC devoted mostly to programs more appropriate for the French-speaking population.

By Mr. Graydon:

Q. How many stations did you say in Quebec?—A. Seven on the network, three CBC. In order to take care of a certain amount of overflow, we organized, last year, an alternative or second national network comprising 23 radio stations, not members of the national network, most of which however receive CBC sustaining program service regularly. This network is available for sponsored commercial programs after 6.00 p.m. E.D.T. and it reaches over 80 per cent of the population. The other day, I was asked how many shortwave privately owned stations operate in Canada. There are two stations of 2,000 watts, two of 1,000 watts, and four of lower power. These were all in operation before the CBC took over from the CRBC.

By Mr. Coldwell:

Q. What do you mean by "low power"?—A. Anywhere from 10 to 500 watt, or 1,000 watt.

By Mr. Hanson:

Q. Where are those stations located?—A. Well, there are two in Winnipeg, there is one in Halifax, one in Montreal.

By Mr. Coldwell:

Q. One in Toronto?—A. To tell the truth these stations have been operating since before we took over, and I might say they are very much supplementary to the service. They are not considered as essential to the network service and they are, so to speak, floating on the line without any special interest, except they may reach some people at distant points. There is CFCX, Canadian Marconi, 75 watt, in Montreal. There is CFRX, Rogers Radio Broadcasting Company, Toronto, 1,000 watt; CFVP, Voice of the Prairies; at Calgary, 100 watt; CHMX, Maritime Broadcasting Co. Ltd.; Halifax, 500 watt; CJCX, Eastern Broadcasters Limited, Sydney, 1,000 watt; CJRO, Trans-Canada Communications Ltd. Winnipeg, 2,000 watt, and also CJRX, Trans-Canada Communications Ltd., Winnipeg, 2,000 watt; CKFX, Western Broadcasting Ltd., Lulu Island, Vancouver, 10 watt.

By Mrs. Casselman (Edmonton):

Q. Those are the ones that do not carry CBC programs?—A. Some of them do.

By Mr. Coldwell:

Q. They are not on the regular network?—A. They are not part of the regular network. They may be connected to it at the wish of the owner.

We, ourselves, operate three shortwave stations. One $7\frac{1}{2}$ kilowatt in Montreal, with an aerial directed to western provinces, one 250 watt located in Montreal, with a general utility aerial, and one 250 watt, Vancouver, which is intended to bring programs into the interland where standard band broadcasting stations do not reach, especially in daytime.

I may add here that our $7\frac{1}{2}$ kilowatt station in Montreal reaches New Zealand and Australia fairly well. We receive a good many letters from those points. They seem to be interested in that station over there.

By Mr. Claxton:

Q. Does it reach South America at all, or Europe?—A. No, it is directed to western Canada and then over the globe to Australia and New Zealand.

By Mr. Graydon:

Q. As you mentioned a moment ago, is it possible to send messages in certain directions?—A. Yes, decidedly so.

Q. Have you made any effort to direct anything to Europe at all?—A. No.

By Mr. Coldwell:

Q. You have not anything strong enough to do that?—A. No, because to give service to Europe to any extent would need at least a 50-kilowatt station.

By Mr. Graydon:

Q. What power is this station?—A. Seven and one-half; this really is the first stage of a 50-kilowatt station. It could have been incorporated at the beginning with the rest of the unit to operate on 50 kilowatt power, but with the way the art is progressing, probably when we reach the time for building a 50-kilowatt station this unit will be—I won't say obsolete—not quite suitable to incorporate in a modern high-powered transmitter.

I will table some documents as to coverage. I think I might give you some explanation from here. This is a rather small-scale map but you may be able to see it from where you are sitting. It is a contour map designed, calculated, and even measured by our staff. These lines represent .5 MVM contour. Everywhere in the world when engineers talk about coverage they have to rely

on actual measurements on the ground or on close calculations, so this is the engineering answer as to what is our primary coverage in Canada. When you come to commercial enterprise they talk a different language. This is a map published by us showing our commercial coverage. This has been prepared according to the formula adopted by the NBC in the United States. These are computed mostly on mail response. Listeners write in to get some premium offers or something else, and there are formulas adopted from which is determined whether the different districts are in area, one, two, or three. It is strictly commercial.

For instance, at the present moment we are offering a world map at cost, the purpose being first to give something educational to the public but also to make a survey. We expect to sell some 70,000 of those maps.

A few weeks ago we distributed by the same method a war game. We will sell 100,000 of those. When these letters come in, they are analysed and tabulated and they are used as a basis to show sponsors and agencies the commercial possibilities of our network. So that when you talk about coverage you may have anything from this here to this here which is quite a different story. This is the technical analysis of the coverage, and this is one of the methods to obtain a commercial picture. I am tabling these two documents for your information.

Q. In other words, commercial concerns find these areas which are darkened are the best areas from a listening standpoint so far as advertising goes?—A. It shows that as far as these areas are concerned, say a province, so many per cent of listeners are listening to a station as established by correspondence. You may have a province such as Manitoba, which is supposed to be a complete primary area; that is because the number of persons who have communicated with us or sponsors has established a ratio which classifies this province as an area province. These documents with regard to commercial coverage have only relative value; they permit a comparison of different areas, but have nothing absolute.

Internal Organization—

I should like to say a few words about our internal organization. I have here a set of charts which give a complete picture of our internal organization. I am tabling this book. These were prepared not only to show our organization in a graphic form, but also because it gives us an opportunity to make a detailed inventory of the responsibilities of each individual of our staff.

Q. At the beginning of your chart you have the Board of Governors and then the executive committee. You have not yet had an executive committee, have you?—A. It has a different name now; it is called a finance committee.

By Mr. Coldwell:

Q. I think you had the finance committee before you have the executive committee.—A. Yes. I will come to that in a moment.

Q. All right.—A. Then I should like you to refer to the chart of responsibilities, which is the first one there.

According to rules and regulations which have been in force since the 1st of April, 1941, the internal administration of the CBC has been divided into two distinct divisions, as already noted. These are clearly indicated in a diagram which is known as the "Chart of Responsibilities." This shows that the general manager, who is, of course, the senior officer and chief executive of the corporation, and the assistant general manager, to whom have also been assigned the duties of controller of finance, report independently to the executive committee of the Board of Governors. A finance committee, composed of three members of the board, under the chairmanship of the vice chairman, has, for a number of years, assumed most of the functions attributed to the executive committee under the new regulations. I think that is your answer.

Q. Certain by-laws were changed; no executive committee has been appointed. The finance committee is functioning as the executive committee?—A. Yes.

Q. Do you think that is in accordance with the by-laws?—A. No, it is not, because the by-laws call for an executive committee; but as I said here the finance committee has assumed most of the functions attributed to the executive committee under the new regulations. That has been going on for a number of years.

Q. You say they assumed the responsibilities and functions; what authority had they to assume those?—A. Official power from the board, I suppose.

Q. The by-laws are adopted by order in council; can the board overrule orders in council?

Mr. GRAYDON: Actually there is no real answer to that question; I think that is the story.

The WITNESS: I think the answer is this: We have had a finance committee for a number of years. Last year conditions were changed in our by-laws, but they were not implemented; they have not been implemented up to this moment.

By Mr. Graydon:

Q. The order in council was passed in April, 1941. I do not want to embarrass you too much on this. If I were sitting in your place I think I would be embarrassed with the question, and I do not want to unduly emphasize it; but in April, 1941, an order in council was passed giving the general management of the broadcasting affairs into the hands of an executive committee. Up to the present time the executive committee has not been appointed. I can see that you would put on the chart "Executive Committee" because by order in council which is the law as laid down by the cabinet it says that the management must be in the hands of an executive committee. So that I think your word "assume" was a well chosen one because the finance committee has assumed certain powers, which I think I must respectfully point out they actually have not got, and you have a link here between the Board of Governors and the general manager and yourself which actually, in fact, is not there, but in law actually should be. Now, there is your weakness as I see it in the link as between the law and the way it is being carried out.—A. That chart, of course, to be absolutely accurate, should indicate in the rectangle where you read "Executive Committee" a note saying this function is presently carried on by the finance committee.

Q. Yes; but is there anything in the order in council which permits any other committee to operate instead of the executive committee?—A. I think the chairman covered that.

Q. Oh, the chairman made an attempt to cover it. The chairman made just about the same answer as you are making and that is the only one that can be made, I think; and that is, for some reason or other, the executive committee, although it was set up, it was never put into operation. I think that is a proper subject for our investigation here as members of the committee. I think you will be the first one to agree to that. When the order in council was passed in April, 1941, the Board of Governors had a finance committee, which previous to that time had been carrying out the functions of the finance committee?—A. Yes, exactly the same as they do now.

Q. So that the order in council made no difference so far as the general management in connection with the general manager was concerned?—A. It did in the sense that the division of responsibilities between Major Murray and myself has been somewhat modified.

Q. But not so far as the executive committee is concerned?—A. No.

Q. So that the law was passed, but the law has not been lived up to. In simple words that is the story. I mean, if you say that is not the case, why all right, but I do not think you can any more than simply acquiesce in the statement.—A. I think it is a fact, yes.

By Mr. Slaght:

Q. Why is that?—A. I really could not tell you. I am not responsible for that order; that is not really my concern.

By Mr. Coldwell:

Q. Who is responsible for it? We might as well get down to this thing now.—A. I suppose you know more about it than I do.

Q. We are trying to find out.—A. I do not appoint the executive committee; I do not appoint members of the board; I do not do anything of that sort.

Q. The Board of Governors would appoint the executive committee?—A. Yes, under the by-laws.

Q. Therefore it would be the Board of Governors who would be responsible for the non-existence of the committee.

By Mr. Graydon:

Q. The explanation was he could not appoint it. In other words—I do not say this offensively—there was a little bit of passing the buck on this thing. You, of course, say, and I think quite properly, that it is after all the government's responsibility rather than yours. I agree with that—A. I said it was not mine.

Q. All right. We won't quarrel about that. The chairman of the Board of Governors said, of course, he could not appoint the executive committee in accordance with order in council of April 1941, because the government had not appointed the other member of the Board of Governors; so it looks to me as though the government, in the final analysis, has to take the responsibility with regard to the situation that exists. I think perhaps we will have to have Mr. Thorson or Mr. Howe back on that point because I judged from Mr. Thorson's explanation certainly the government would not be in any default in connection with it, and I would not expect them to admit that, but that is the situation as it turns out in the evidence, as I see it here.

By Mrs. Casselman:

Q. Would the personnel be the same on the executive committee and the finance committee no matter what name it was called?—A. There would be one more member on the executive committee; there are three members on the finance committee, there will be four on the executive.

Q. That would be the chief difference between the committee as set up by the order in council, and the committee as it now exists?—A. So far as the number of people on the committee is concerned, yes.

Q. As far as the duties go they would be much the same?—A. Well, there is a legal point that I am not qualified to decide.

By Mr. Coldwell:

Q. The finance committee was not appointed to manage the affairs of the corporation, was it? It could not be.—A. Well, it all depends on what you call "manage". It was appointed to supervise the affairs. Now, whether that means exactly manage or supervise or control, I do not know. They were requested by their fellow members on the board to meet and keep a watch on the affairs of the corporation. That is the way I see it.

Q. It is not to manage the corporation within the meaning of the by-law. There is a definite definition to the word "manage".

By Mr. Slaght:

Q. Would you let us have the resolution of the board appointing the finance committee so we can know what they authorize them to do?—A. All right. It will be tabled.

The VICE-CHAIRMAN: Ladies and gentlemen, Mr. Frigon advised me at the beginning of the meeting he would require a little more than an hour and a half to complete his report. Perhaps in order to permit him to finish to-day we might postpone questions that would require a long diversion from the report which would obligate him to come back for another meeting. If it is agreeable to the committee we might let him continue and finish his report, and if there is any time left before the end of the meeting questions may be asked.

Mr. GRAYDON: Mr. Chairman, I think we should not be excluded from asking certain pertinent questions as we go along. There are certain things that come up as the report is being read which, if they are not dealt with at the time, are difficult to recall after the report has been finished. Then, other matters take their place and it is sometimes difficult to go back to cross-examine a witness on certain aspects of the report that arose earlier. I agree with you that Dr. Frigon ought to have an opportunity to complete his report in a reasonable time.

The VICE-CHAIRMAN: My idea was to prevent the ten or fifteen minute digression from his report, which if it occurred several times during the meeting would prevent him from finishing his report to-day.

Mr. SLAGHT: Before you leave this, may I for myself only say that by silence I do not want to acquiesce in a statement made in the remarks Mr. Graydon put upon the record to the effect that the failure to appoint the executive committee is the fault of the government. I think that was not even put in the form of a question, but put in the form of comment. We should have the right to comment from time to time, but until I see something very much more than I have seen so far I want to take exception to that statement. I think we could leave that open until we have heard some further evidence.

The VICE-CHAIRMAN: Proceed.

The WITNESS: The general manager is responsible for policy matters, the production of programs, the operation of a press and information division and of a station relations division.

The assistant general manager is responsible for the engineering, finance, commercial and secretariat divisions.

A skeleton diagram indicates the general flow of authority for the whole staff. That has been issued.

Policy—

Referring to the chart it is seen that under policy matters are such items as: official relations with the minister, the government departments, the public, the press and the Canadian Association of Broadcasters; all business with the U.S. networks, the BBC, etc. Under policy also come: implementing the Radio Act 1936, reports to the government, drafting of regulations; decisions on program content. The very difficult problems of political and controversial broadcasts also come under this heading. To administer this part of responsibilities the general manager has in particular the assistance of the chief executive assistant.

Program Division—

The program division, see diagram, is under the direction of the general supervisor of programs, who reports to the general manager. This division looks after the production, acceptance, regulations and scheduling of programs;

it hires artists, organizes talks, farm, school, church, political and controversial broadcasts; it produces actualities and feature programs; it handles exchanges with U.S.A. and BBC networks; the news bulletin service is a department of the program division. This division monitors short-wave reception from foreign countries. The language used by announcers on CBC stations is also the responsibility of the program division as, of course, is the supervision of program production personnel.

There is, however, a special arrangement through which the assistant general manager has general control over the programs for the French network. This does not include controversial and church broadcasts which, for the sake of uniformity across the country and because these must receive very careful attention from a policy point of view, are the responsibility of the general manager.

Press and Information Division—

The Press and Information Division, at present under the commercial manager for reasons of economy, handles our publicity, advertising and various publications edited by us.

Station Relations Division—

The Station Relations Division is our liaison medium with private stations, it applies regulations to all stations and maintains program statistics.

Finance Division—

The Finance Division comes under the assistant general manager and is headed by the treasurer. It must be understood, however, that as controller of finance, the assistant general manager does not manage the corporation, his responsibilities being mainly to make sure that expenditures are made according to the provisions of the budget and to the decisions of the Board of Governors or of the finance committee. The treasurer and accounting department are in Ottawa, with representatives at each regional point, that is, at Vancouver, Winnipeg, Toronto, Montreal and Halifax, to look after local bookkeeping and as expenditures. There is also a budget master attached to the assistant general manager, although he is really part of the treasurer's department personnel.

We operate strictly on a budget system with "work orders" and "requisitions" for all expenditures, except salaries which are fixed by an establishment of personnel approved by the board. Heads of divisions submit estimates of their requirements for the coming fiscal year. These are compiled by the budget master and submitted to the assistant general manager. An estimate of the revenues which might be expected during the corresponding period is made, and the expenditure side of the budget is established accordingly. There is one very important feature of our administration which should be noted here, and that is the absolute necessity for us to set our financial operations on a twelve-month basis. I will come back to that later on.

Once the budget is established by the assistant general manager, with due consideration to all factors, it is submitted to the finance committee and then to the Board of Governors. After discussion and modification, if required, it is adopted. All concerned are then informed of the amounts which have been placed at their disposal, under the 47 odd items of the budget distributed among six main divisions. It is the duty of the budget master to keep track of expenditures and constantly inform the controller of finance of the state of our affairs, of commitments made and to forecast expenditures from month to month. All figures supplied by him are obtained from the chief engineer and other commitment records with respect to commitments, and from the accounting department of the treasurer's division with respect to payments. These

figures are carefully supervised generally by the treasurer, who is the only authority to provide official financial statements. Every project requiring capital expenditures is first subject to a "Work Order" and every purchase, either capital or current, is done through a well organized requisition system.

The budget master submits a monthly report to the assistant general manager showing the exact situation of revenues and expenditures broken down into a great number of items under each division. The treasurer also submits financial statements; a monthly report known as "Treasurer's Notes to the Assistant General Manager," is also prepared, in which are listed all expenditures which do not come within the routine of budget administration. It covers all expenditures which, in the opinion of the treasurer, require special attention, or need to be specially noted. These treasurer's notes are then submitted to the finance committee so that the latter is fully informed, on a monthly basis, of what is going on.

The efficiency of our financial control is proven by the fact that during our five years of operation of very rapid growth, we have always kept our expenditures well within budget estimates. Since, on the other hand, revenues have always been higher than expected, we have benefited, as explained above, from substantial annual surpluses which have allowed us to take care of essential capital commitments without having to seek further loans from the government.

You already have annual reports showing financial statements. I shall gladly supplement these figures as you may wish. Our accounting system is such as to permit of detailed and elaborate analyses of expenditures and revenues. The accounts are subject to continuous audit by representatives of the Auditor General, for whom the corporation provides office space so they may be in constant contact with the accounting department.

In respect to the necessity of budgeting for a twelve-month period at a time, I would like to quote the following abstract of a memorandum I sent to staff councils some time ago, in order to explain the significance of surpluses we have shown in our annual statements every year.

By Mr. Coldwell:

Q. Are you going to explain what "staff councils" are?—A. Yes, I am coming to that later on.

In the minds of certain people, the word "surplus" seems to indicate that the corporation is very wealthy and that there is no need to economize. This interpretation is absolutely wrong. I am almost tempted to say that an opposite view would be more correct. "Budget surpluses" for an organization such as ours simply reflects a prudent administration of the affairs of the corporation and a clear recognition of the fact that we have no means whatever of getting out of trouble if, by any chance we should face a serious deficit for some reason or other. We must live from year to year, we cannot borrow from the banks to any extent, we cannot issue bonds and we have no stockholders or "owners". We could not each year beg financial assistance from parliament; this would be absolutely contrary to the very spirit of our organization.

Other even more important factors can explain why in the past our books have shown annually a balance on the right side. First, we must recognize that we have been in the very happy situation of seeing our revenues, both from licence fees and from commercials, increase very materially without interruption. It has therefore been possible to commit ourselves, every year, to future expenditures to the extent of almost assured revenues. Without going through the whole history of the corporation, this can be illustrated by an example. For instance, at the beginning of the fiscal

year 1940-41 we had estimated that our total revenues for that year would reach \$3,700,000 and decided that we would spend \$3,650,000, leaving a surplus of \$50,000 to take care of emergencies. These figures included what we thought were normal increases on the previous year. At the end of 1940-41, however, we were pleasantly surprised to find that revenues had exceeded our expectations and had reached the grand total of \$4,125,000 (approximately). With some minor savings in expenditures, this left us with a budget surplus for the year 1940-41 of just over \$500,000, composed almost entirely of an unexpected and therefore unpredictable increase in licence fees and in commercial revenues. What did we do with that money? First we allocated some \$175,000 on various projects such as CBY, Dixie, shortwave transmitters, increased power of CBJ, Chicoutimi, dwellings at Watrous, etc. You will notice that these expenditures are non-recurrent. They will not be renewed, they simply improve our facilities once and for all. That is an advantage of surpluses, they allow us to renew and improve our plant without loading our annual budget with interest and amortization charges. We shall not be able to build or improve any more when we have no surpluses, unless we borrow money from the government, and you know what that means, especially in war time.

After spending that much on capital expenditures we still had some cash left, so we reduced our indebtedness to the government, thereby doing away with annual fixed charges for future years. We also bought some Victory Bonds which we will most probably have to sell soon to meet commitments.

But this is not the end of the story of our 1940-41 surplus. Having anticipated a revenue of \$3,700,000 for that year, but having actually collected \$4,125,000, we were justified in figuring on a revenue of \$4,325,000 for the year 1941-42. This permitted us to add the relatively huge sum of \$300,000 to our salary budget to provide for increases, new positions, etc., to maintain our news bulletin service, to operate our newly constructed stations, to secure more floor space for the new personnel and to be more generous in our operating conditions in many ways.

By Mr. Graydon:

Q. In other words, you are increasing your staff?—A. Yes, increasing the staff because we knew our revenues were up and would stay up according to all factors—

By Mr. Coldwell:

Q. Have you made any provision for a pension scheme?—A. That will come later.

Q. You are going into that later?—A. Yes.

These important additions to our annual budget were decided only when we were reasonably sure that they could be taken care of by actually achieved increases in revenues which we hoped could be maintained. Now the year 1941-42 is over. We will have a surplus, but we are already committed to cost-of-living bonus (\$75,000), to increase in salaries (\$60,000), to new positions created during the year, to carry for twelve months the operation of CBY and shortwave stations which were on the air only part of 1941-42;—

By Mr. Graydon:

Q. You said there had been increases in salaries to the extent of \$60,000?—A. Yes.

Q. What does that mean actually?—A. Well, I think that will come clear later on, when I cover the way we have organized our personnel.

Q. All right.—A. We have a classification of personnel and salary ranges which calls for what you might call statutory increases every year.

Q. Statutory increases?—A. Yes, because they are in our rules, and part of the personnel may expect an increase according to the fixed schedule within the classification.

By Mr. Coldwell:

Q. And, I suppose, cost-of-living bonus?—A. Yes.

—the Cariboo, East Kootenay and Abitibi districts have been added to our networks, there is the costly pension fund to think about, etc. There are also some dark clouds in the sky; we did not achieve last year quite what we hoped to make in commercial revenues and there are some cancellations in sight. We cannot therefore count on much more revenue in 1942-43 than we have had this year.

To sum up, budget surpluses have, in the past been due to unpredictable increases in revenues and have been used to cover non-recurrent expenditures, to improve our plant, or to reduce our indebtedness to the government, suppressing thereby annual interest and amortization charges and releasing a corresponding sum of money for other annual expenditures.

That is the end of the memorandum I sent to the staff.

By Mr. Slaght:

Q. Did the increases arise in the revenues from licence holders or from advertisers, just in the rough?—A. From both, but the biggest share of increase came from licence fees.

Q. Licence fees?—A. Yes.

Q. The greater part of the half a million dollars in that year?—A. The half a million is not the increase; it is the budget surplus; it is the difference between what we actually collected and what we actually spent in that year.

By Mr. Coldwell:

Q. What were the increases in the budget—perhaps you are coming to that later on?—A. I will give you the increase in licence fees from year to year if you wish me to.

By Mr. Graydon:

Q. Doctor, I hesitated to interrupt your chain of explanations there, but you made mention of an anticipated decrease in the revenue from commercials. Is that because of the fact that you expect there will be less commercial programs available for broadcasts in the coming year?—A. I would not say we expect a drop, but we know enough to be prudent, because this is war and no one can tell what will happen next winter or next spring; so we cannot be as optimistic in our budget this year as we have been in the past.

Secretariat—

The secretariat, another division, is headed by the secretary of the corporation. This division is entrusted with the responsibility of preparing and keeping legal documents, promulgating internal regulations and looking generally after all legal transactions. Additional functions of the secretariat are the responsibility for the care and custody of all CBC documents and records and their maintenance; the installation and operation of office systems and also the supervision and handling of all questions related to performing rights and copyrights.

The secretary also keeps an establishment of the personnel and, under the authority of the assistant general manager, looks after the hiring and dismissals

of employees. However, the general manager has the last say in respect to the program production personnel, such as announcers, producers, etc.; all those occupied in supervising or producing programs, come under his immediate authority.

All appointments are made according to a "classification" fixing salary ranges and to the provisions of an "establishment" approved by the board. No one may be appointed to any position unless such position exists on the establishment and the finance committee has approved of the appointment. In practice, replacements and current appointments are submitted for confirmation to the finance committee, but no new positions may be created or salary ranges modified without specific authority of the finance committee. We now have 657 persons on our staff.

By Mr. Slaght:

Q. How many lawyers have you?—A. We have no one as a lawyer, but we have two lawyers on our staff who occupy other positions, who help us in minor legal cases.

Q. I caught the word "legal" in your set-up here. Who does your legal work if you do not have lawyers?—A. Well, we operate on the advice of the Justice Department, and we hire outside lawyers when we have special matters to take up.

Q. But the lawyers on your staff are not there as legal advisers?—A. No, they are there occupying other positions, but they do look into some legal details. For instance, we have a man in Quebec who is the local station relations man. He is a lawyer. Well, if we have a lease to be signed, say, for a building in Montreal, we ask him to look over the lease, and he tells us whether there is anything to be looked after from the legal point of view.

By Mr. Coldwell:

Q. Do you pay anything for the legal work?—A. No; this man is paid as a station relations man in Quebec, and this legal work is only a side line.

Q. You regard it is part of his duties?—A. No, his duty is strictly station relations, but we use him on different matters, say, of a minor legal description.

By Mr. Slaght:

Q. I understand you use the Justice Department when you want a legal opinion?—A. For anything involving policy matters we have to rely on the Justice Department to tell us what they think.

By Mr. Coldwell:

Q. Was the matter of the change in the by-laws referred to the Justice Department before they were made?—A. Yes, it was.

By Mr. Graydon:

Q. In other words you try to avoid the need of lawyers as much as possible?—A. I think the use of the Justice Department is more to rely on a continuous and efficient source of advice. They know all the details of our by-laws; they have followed them right through and they know more, I suppose, about the intricacies that are concerned than an outside man.

By Mr. Coldwell:

Q. That is a very good plan.—A. But when it comes to an action in court then we take someone from outside.

A little over a year ago committees selected by the staff were created under the name of "Staff Councils" at the fifteen different points where the CBC carries its operations. Once a year, at least, representatives of these councils

will be delegated, at the expense of the corporation, to a national meeting where all questions pertaining to staff matters will be discussed between staff councils' representatives and with the management. The idea behind this organization of staff councils is to keep the personnel fully informed of the intentions and policies envisaged or promulgated by the management and to establish a channel between staff individuals or groups and the management for discussion of any matter which the former may wish to submit. At the first national meeting of the staff councils' representatives, which took place in Ottawa last October, regulations were adopted, and so far the system has worked perfectly well. We have received a splendid response from the whole personnel and we are extremely pleased with the full cooperation obtained from all concerned. I will table a copy of the document adopted by the staff councils in October. It is entitled, "Plan of Staff Councils and Staff Management Conferences."

By Mr. Coldwell:

Q. How are the staff councils appointed?—A. By the personnel themselves. There are fifteen staff councils.

By Mr. Graydon:

Q. The staff council is purely advisory?—A. Oh, yes. In my personal opinion it is some sort of a partnership idea in the administration of the corporation.

By Mr. Coldwell:

Q. Was this policy adopted in place of a union?—A. Well, I would not say "in place of"; it was adopted and it includes all the personnel in any department in any occupation.

Q. I intend to ask a question about the matter of union later on, so I will not bother you now.—A. I should like to add that these men met in Ottawa and I never saw a group of men working so hard and so honestly and so well disposed to achieve something. They drafted this plan here; it was signed by each one of them and by the general manager and myself. It is some sort of a guide, how to conduct the affairs of staff council, how to deal with different matters that may come up at regional points.

Q. Could we have a list of the members of the staff councils and their positions?—A. Yes, that will be tabled. I am reminded here the question about licence fees is printed in the proceedings at page 39 of No. 2, dated Thursday, May 14; so I presume it is already in your evidence.

Commercial Division—

The commercial department headquarters are in Toronto, with a commercial manager in charge, and sub-headquarters in Montreal handling the French network business and dealing with local agencies. The commercial division is responsible for the sale of time on CBC owned stations and for the commercial operation of the national network. All United States network business coming to Canada is handled by this department, except, of course, in the case of American networks affiliated with private stations located in Montreal, Toronto and Windsor. This division looks after station bookings, station and line rates, a number of commercial productions and it supervises commercial continuities. It works in close cooperation with the program division. The assistant general manager has control over the commercial division in so far as financial problems are concerned, but all sponsored programs must be approved by the program division before they are accepted by the CBC.

The Canadian Broadcasting Corporation commenced commercial network operations December, 1937. The first network rate card was published in

January 1938 and listed thirty-four stations in five regions; namely, the Maritimes, Quebec, Ontario, Prairie and British Columbia. The rates compared favourably with those of the United States networks.

The following is a comparative statement of the CBC's net commercial revenue:

1937-38	.....	\$355,919.65
1938-39	.....	565,770.91
1939-40	.....	665,401.90
1940-41	.....	841,908.88
1941-42	approximately same as 1940-41, final figures not yet available.	

Q. Is that net to the corporation or is that gross and a division made with the private broadcasting stations?—A. That is net, but before taking care of commercial division charges. In other words, these figures include the cost to us of running the commercial department.

Q. What I am getting at is this: you pay private stations something for carrying your programs. Now, is that payment included?—A. It is above that.

Q. Can we get the amount that has been paid to private stations on account of this?—A. That will be tabled.

Q. Thank you.

The WITNESS: The corporation could have increased its net revenue each year had it been possible to meet many other demands for network evening time. It was necessary for the corporation to maintain its own national program service so that periods available to sponsors were limited.

The acceptance of U.S.A. sponsored network programs on the corporation's network, stimulated and increased the number of Canadian sponsored network programs and gave more employment to Canadian artists and musicians.

On the Quebec net work approximately 90 per cent of the sponsored programs originate in Montreal.

A limited number of evening periods are available on the national network. In order to meet the continued demands of advertisers and to forestall any accusations of restraint of legitimate network business, the corporation decided to establish an alternative national network of available stations. On July 25, 1941, such a network, composed of twenty-two stations, was established for evening operation only. In January, 1942, five advertisers were sponsoring programs over this network.

When the corporation commenced network commercial operations in 1937, approximately twenty-seven private stations participated in the revenue. Now that an alternative network is in operation there are approximately fifty-seven private stations regularly participating in the revenue from sponsored network business.

The corporation's commercial revenue is obtained principally from network operations; regular local and national spot business, including spot announcements, being left almost exclusively to privately-owned stations.

The corporation, therefore, foregoes a large potential net revenue; this on account of national network operations and the rejection to date of a very large amount of patent medicine advertising, etc.

By Mr. Graydon:

Q. Before you go on with the next subject may I say this: I do not want to interrupt your chain of thought, but in regard to commercials, I notice in the list of subjects which your commercial bracket contemplates first contact U.S.A. networks. In addition to that I see under the policy department of the

general manager, relations U.S.A. network. Now, what is the division or distinction between these two branches?—A. Well, in the case of the general manager it is the matter of program exchanges, policy, official relations; in the case of the commercial division it is the matter of business contacts, to keep track of commercial programs or commercial business, for booking traffic; one is program policy, the other is commercial operation.

Q. Do I understand it correctly in respect to the general manager's department, relations with respect to the U.S.A. networks is largely a matter of sustaining programs and yours are a matter of commercials?—A. Well, no, because anything that comes from the States, anything that goes on our network is subject to the supervision of the program department and therefore of the general manager. If, for instance, the commercial manager were to accept a program from New York that the general manager did not like, he could stop it.

Q. Is not the division of duties there of rather a serious character?—A. I think it is absolutely inevitable. It exists on all networks.

Q. It does?—A. Yes, because the operations require everyday contact over the telephone and telegraph, looking after details of traffic; and there are general relations whereby the general policy is handled between the two networks.

Q. Then in dealing with the United States networks it may be that in one case the general manager would deal with it and in another case the assistant general manager?—A. No, it would not, because the two problems liable to come before one or the other would be of quite a different character.

Q. Yes, but if I see this picture correctly, first of all you arrange through your commercial department the broadcasting of a certain commercial program in Canada through your CBC network. Then the general manager must, as I see it, also pass on it, because of his relation with the U.S.A. networks. Still, in connection with that type of program because policy comes within his purview, does it mean that both of you have to deal with the matters that come from the U.S. networks?—A. It does not operate that way in practice; it cannot.

By Mr. Coldwell:

Q. How does it operate? Can you give us an example?—A. The general manager may wish to have a number of sustaining exchanges with United States networks. There might even be on our own network an important talk from Washington or London. He might want to establish closer relations from a policy point of view with regard to pertinent programs: that would be his job. The commercial department of the NBC, for instance, may contact our commercial department and say "we have a program for you, will you take it". Then our commercial department looks over the commitments and schedule and after consulting the program department they will say, "time is free", or "all the time is not free on the private stations, so we will have to make some changes", or "are you willing to make some changes". This concerns the actual operation of the network. If everything is all right and if the character of the program is accepted by the program division and therefore by the general manager, then the commercial department proceeds to make booking arrangements, looks after billings and arranges traffic problems through the proper official of the corporation. I do not think there is any possibility of conflict there, because the two things are quite different. The Americans have gone even farther in that respect. On some American networks there is a program censor, a person who is responsible to the president of the company only, and has nothing to do with the commercial or any other department. If that person says, "I do not like this", it is out—

Q. I do not want to interrupt just now when we are discussing personnel, but what I am puzzled about is this: your personnel is under the general manager to-day, the work that you have just outlined?—A. Well, first of all there is the head office on policy matters and there is the program division on the program matters.

Q. Is there an overlapping of personnel between the two departments?—A. No.

Q. They are distinct and separate?—A. Certainly; I cannot see how we can work otherwise.

Q. It would seem to be almost two program committees, one dealing with commercials and the other with sustaining?—A. No.

By Mr. Tripp:

Q. In dealing with these commercials does your office deal directly with the advertisers?—A. Yes.

Q. You do not work through an agency of any kind?—A. Yes. Apparently I did not get your question properly. I would say that most of the bookings are done either through agencies or through an American network which in turn deals with agencies.

Q. Are commissions paid?—A. Yes.

Q. To those agencies?—A. Yes.

Q. You pay commissions to those agencies?—A. Yes.

Q. For doing this work?—A. Yes; that is part of the operations of the business.

By Mr. Coldwell:

Q. Could we know how much was paid in commissions last year?—A. I would have to look it up.

Q. You will get it?—A. Yes.

By Mr. Graydon:

Q. May I try to clarify this in my own mind? I am now speaking with respect to networks. Let me put it in its simplest form. Suppose a commercial organization in the United States desires to avail itself of the use of the CBC in a network program of advertising of certain types of program which they submit to the CBC. Does that corporation or that advertiser go directly to your commercial branch which is under you, or do they go direct to the general manager who has control over policy? The reason I ask that question is this: it seems to me the question of your commercials and the question of your policy are inextricably linked together. First of all, because your commercial program cannot go on the air here unless it has the O.K. of the policy department which is under the general manager. They cannot do business with the general manager though in connection with the commercial, they have to do business with you, so am I right in saying that before a United States program officially gets on the air it has to have the O.K. of the general manager and yourself?—A. I think it is inevitable because the commercial department looks after the program as a business proposition. I said before they had to see whether time is clear on our own station; whether they can clear time on private stations; whether there is any commitment in the way at future dates; and when they have cleared the commercial part of the business then they are prepared to say to the American network, "We can take your program". If the deal is acceptable then they go to the program division to obtain their approval.

Q. I understand that, and your explanation is clear on that point. The point that arises in my mind is this: if the American corporation desires to do business with the CBC it seems to me they should be able to go to one man

on the CBC who would be able to deal with it and who would have completely under his control not only the question of commercials, but the question of policy as well. That was the reason I put the question to you about the serious division with respect to the duties and responsibilities as between the assistant general manager and the general manager.—A. Frankly, I do not think it interferes at all with the business; and I would say that it is essential that there should be two main divisions, two distinct divisions to deal with that.

Q. There would be no objection to one man having the final say with respect to both departments, would there?—A. Well, as we are in our present set-up you might say the final say is with the Board of Governors or directors of the CBC—

Q. You could not expect American corporations to be dealing with the Board of Governors who have the final say, because they want to do business in a hurry. It has to be done by somebody who has actual control over the whole administration of the CBC work.—A. We are dealing now with operations. When I go down to New York on operations work I never see the president of the NBC except perhaps in a social way. I see the commercial people, not the program people, and the station relations men. I suppose when Major Murray goes to New York he never sees the station relations men, he would deal with the program people and with the president, because he is working in another field.

Q. That is only natural, but in the final analysis I have no doubt in the American broadcasting corporations the president of the corporation actually has the final say both as to policy and as to commercials?—A. Well, if you want to put it this way, if there was any difference of opinion in that regard between the general manager and the assistant general manager the arbitrator would be the executive committee.

Q. Yes, if there were one.—A. Yes.

Q. Of course, we have not had one for over a year and some months.

By Mr. Tripp:

Q. May I ask the Doctor if the set-up of the CBC is comparable to the set-up of the National Broadcasting Corporation?—A. No, it is not; I will admit that. Over there they have a president and vice-presidents. Each vice-president is in charge of a division. Here the corresponding authority is, I would say, probably the executive committee.

Q. Which does not exist.—A. Which exists in the finance committee.

Mr. GRAYDON: Which exists in theory, in any event.

The VICE-CHAIRMAN: Will you continue, please?

Mr. COLDWELL: There is one question I should like to ask there, which I should like to get on the record, and then I am going to keep quiet for a while.

The WITNESS: May I skip a certain paragraph here, but have them put it in the record? It would save time.

Mr. COLDWELL: I think we had better have them read.

The WITNESS:

Engineering Division—

At last, we have an engineering division of which we are very proud. It is under the supervision of a chief engineer and is divided into various departments and regions. There are the properties, the plant, the transmission and development, the purchasing and stores, the coverage and statistics departments and the central registry. There are transmitters at Vancouver, Watrous, Toronto, Ottawa, Montreal, Quebec, Chicoutimi and Sackville, and studios at Vancouver, Watrous, Winnipeg, Toronto, Ottawa, Montreal, Quebec, Chicoutimi, Sackville

and Halifax. I would like to describe the operations of this division with more detail because its work is not always as evident as that of other divisions, although it may be considered as essential in certain respects as the program division.

Set-up of Engineering Department—

The national engineering office of the CBC is located at Montreal, with a regional engineer in each of five regions, the Maritimes, Quebec, Ontario, the Prairies and British Columbia. The head office at Montreal comprises several branches dealing with new plant construction, field surveys, maintenance and operation, purchasing and stores.

The total staff of the engineering division is 215 employees and, of this number, 145 are engineers and technicians. The greater number of technical staff are, of course, located across Canada at the various corporation transmitting stations and studios.

With reference to a question which was asked the other day, I may say that our technical staff was recruited from various sources. Out of 145, 32 are university graduates, others are graduates of technical schools and of correspondence schools. A number were amateurs. The moment it was known that we would open a new station, applications came in from everywhere. Up to 1939 we had not much trouble in obtaining qualified men. Now, with 38 men enlisted, it is almost impossible to find new applicants. We have no organized apprentice course, but we do try to promote the technical staff from the lower ranks. We also employ university students during the summer months, some of whom come to us after graduation. We have made arrangements with two well-known American correspondence schools to provide first-class instruction in radio broadcasting.

By Mr. Graydon:

Q. Are any of your technical men on loan to the armed forces?—A. Yes, many of them.

By Mr. Coldwell:

Q. What are the names you mention there?—A. The Smith Radio Institute, and the Capital Radio School in Washington.

Q. Because there are so many people canvassing for radio schools I think it is well to have the advanced ones on the record.—A. One is an advanced course, the other is more elementary. One hundred and fourteen of our employees have joined. They obtain, through us, special facilities, and if they complete their course and obtain corresponding certificates, they will get upon graduation certain financial help that will reimburse them for part of their cost. In other words, we encourage our staff, not only technical but even office employees, to take in the courses. The advanced courses are most interesting to engineers and the more elementary courses are for the technicians in the studios and men who think they would like to have a try at it in the division.

The actual set-up at engineering headquarters, Montreal, is as follows:

Chief Engineer's Office—

The function of this group is to coordinate the activities of the other headquarters engineering groups and the regional technical organization. Control of engineering expenditures and administering of engineering development and operations is briefly the main concern of this group.

Plant Department—

This department is responsible for all construction and maintenance of transmitter and studio electrical equipment. In addition, an engineering shop where much of our equipment is assembled or built, and an engineering library are included within the jurisdiction of this department.

By Mr. Graydon:

Q. Where is that?—A. The main shop is in Montreal; there is a shop also in Toronto.

Properties Department—

This department is responsible for all architectural design, also mechanical and electrical drafting, architectural repairs and maintenance of the CBC, including air conditioning.

Transmission and Development Department—

This department is responsible for all field work associated with coverage surveys in Canada, also transmission problems dealt with by the joint technical committee of radio branch (Department of Transport), and the CBC engineering division. This department carries out field survey work for the radio branch (Department of Transport), as well as for the CBC. The development work undertaken by this group covers improvements to equipment used by the CBC and other complementary services. In this same group is included a statistical section which prepares information required by the CBC's commercial department on broadcast coverage. I might add here that before the war the Canadian Engineering Standards Association formed a committee composed of some thirty-five or forty members representing all branches of the industry under my chairmanship to study the problem of interference and what could be done to stop interference either through regulations or laws or mostly through technical correction. This committee was just underway when the war broke out and it has been marking time ever since. But in that committee our transmission and development committee played a very important part on the technical side.

Purchasing and Stores Department—

The purchasing and stores department functions on behalf of all divisions in the CBC. Complete stores records are maintained in headquarters of the engineering division, Montreal, together with a main headquarters store room. Regional stores are maintained at Toronto and Vancouver.

Plant coming under Jurisdiction of Engineering Division is as follows—

Ten broadcast band transmitters, four of which are 50 kw. in power. In addition, there are seven main studio centres, i.e., Halifax, Quebec, Montreal, Ottawa, Toronto, Winnipeg and Vancouver. There are three shortwave transmitting stations, two low power and one $7\frac{1}{2}$ kw. in power. The latter is located at Verchères, Quebec, and broadcasts programs both from the English and French networks. There is a shortwave diversity receiving station at Ottawa which was established in 1934 and which is the medium through which BBC programs are supplied to the CBC network daily. We have three mobile units which are largely used in connection with the broadcasting of programs associated with Canada's war effort. One of these units has been overseas since 1940 and has been especially designed to work in conjunction with the Canadian overseas army.

The engineering division is also responsible for the setting up of the necessary corporation offices and generally for their structural maintenance. Main office centres are at Ottawa, Toronto and Montreal, also at Vancouver, Winnipeg and Halifax. The engineering division also maintains a main stores centre at Montreal; also an engineering shop at Montreal and at Toronto.

Operation of overseas unit—

Since early in 1940 we have maintained an overseas mobile unit in England. This unit was built in Canada to army specifications, in so far as the vehicle itself was concerned, and to CBC specifications for the radio

requirements. Two CBC engineers are assigned to this unit overseas. The main purpose of the group is to cooperate with the programs department personnel, and with the BBC, to provide programs through recordings, covering the activities of the Canadian army in Britain. This unit is an important part of the special CBC service from Canadian troops in England to Canadian listeners in Canada. Recorder programs, with the voices of Canadian soldiers and word pictures of the operations of the unit, are relayed by BBC to our Ottawa shortwave receiving station.

Near Ottawa a directional shortwave receiving station is employed to receive such programs from BBC and to relay these to the CBC English and French networks. This receiving station, which was established in 1934, was enlarged just before the outbreak of war and can handle two programs simultaneously to the network through the Ottawa studios. At the Ottawa studios recording facilities are established so that programs may be recorded when received and re-transmitted at suitable times for listeners in Canada.

Priorities, Procurement and Conservation—

Because of the scarcity of essential materials needed in the war effort, it has been necessary to set up, at headquarters, a procurement officer concerned with all problems associated with difficulties in obtaining deliveries, the salvaging of what in the past might have been considered as obsolete equipment, and the conservation of existing equipment through precautionary measures.

It is becoming increasingly apparent to all that we have to rely more and more on our own resources to maintain a sufficiently high standard of operations. Consequently, shop facilities which had been established in the past at both Montreal and Toronto have been made increasingly useful in the work of the engineering division, and equipment which formerly was purchased as a complete unit from manufacturers is now engineered and assembled in our own shops.

Wartime Technical Operations—

The wartime technical operations of the CBC include the following major items: Conservation of equipment by every measure possible to prolong the life of such items as vacuum tubes, condensers, transformers, moving parts, etc.; provision of standby antennae and power supply units at vital points to insure continuity of service; replacement of technical personnel required for war duty elsewhere by training of other temporary personnel not eligible for military service; procurement of vital parts such as vacuum tubes and other such expendables used up in the normal course of CBC operations; help to other organizations such as private stations, Department of Transport, Radio Branch, Halifax Civil Emergency Committee, Free French Forces.

Another matter which has received our attention since the outbreak of hostilities is that of protection of vital CBC plants against sabotage by provision of protective fences, floodlighting, fire protection and, at the major transmitting stations, of armed guards supplied by the R.C.M.P. Dispersion of essential broadcasting equipment wherever possible is also being arranged. This is particularly important now because of the difficulty of replacement so that a loss through such ordinary causes as a fire at a major production centre at Montreal or Toronto might seriously interfere with the operation of the CBC and particularly with the engineering division which, in war time, functions in the handling of so many "war production" broadcasts, both studio and remote.

To date a total of 38 members of the technical staff of the engineering division have obtained leave of absence or are serving the CBC in other territories directly on account of the war. Eleven members of the staff are with the army, 8 men with the R.C.A.F., 3 with the navy, 1 with the Free French forces on a technical project, 3 with National Defence at Ottawa, 1 with the Depart-

ment of Transport, 4 with the National Research Council, and 2 with the CBC unit overseas. The total male staff of the CBC numbers 193 and of this number approximately 30 members are within the age group 20 to 30 years of age and are single. Some of these men have already been turned down for military service and a temporary replacement is provided for those eligible as they leave the organization.

The general activities of the engineering division have continued to expand at a rapid rate since the outbreak of the war. In the operating group, which includes the personnel at CBC studios and transmitters across Canada, there has been an increase in operating man-hours of 27 per cent in the case of studios and 8 per cent in the case of transmitters since September, 1939.

Q. Due to wartime conditions?—A. Yes. To-day the total power of the ten broadcast band stations is 213,250 watts. This represents 71 per cent of the total power of all Canadian stations. In the shortwave field the CBC has three transmitters with a total power of 7,850 watts, which is 54 per cent of the total power of all shortwave broadcast stations in Canada.

By Mr. Coldwell:

Q. Did you say 71 per cent of the power of all the broadcasting stations is owned by the Canadian Broadcasting Corporation?—A. Yes.

Because of our interest in radio interference matters generally, the CBC has been assisting the Department of Transport, Radio Branch, in investigating tolerable interference with radio reception on tanks and other armoured vehicles as used by the Canadian army. Some work in this connection was recently undertaken in our Montreal lab under the direction of our transmission and development department, engineering division.

We have also undertaken, for the Department of Transport, an extensive survey of all Canadian broadcasting stations of 1,000 watt power or more, this survey being necessary following the coming into effect on March 28, 1941, last, of the North American Regional Broadcasting Agreement of Havana, 1937. The CBC maintains personnel and equipment for the checking of coverage of its own stations. This service was extended, at the request of Transport, to cover private stations of 1000 watts power or greater.

The engineering division also operates an overseas unit in England and is concerned generally with communication problems arising out of possible emergencies through enemy action on the east and west coasts; and other most important measures that cannot be revealed here. In other words, we are very much on our toes respecting all war conditions.

Answering a special request of General De Gaulle, we were pleased to place the experience and facilities of our engineering division at his disposal for the construction of a high-power shortwave broadcasting centre at Brazzaville, French Equatorial Africa. One of our men has already spent four months at Brazzaville and has now returned to Montreal. Another one was there a number of weeks and came back to supervise the construction and equipment; he is going back to Brazzaville very shortly to look after the construction of the plant and to put it in operation.

Q. What is the power of the new plant?—A. Fifty kilowatt.

Q. Fifty to 100?—A. There might be two 50's later on I believe—short-wave, of course. They have ordered one 50. The centre will be large, more important than the power would indicate. They have a great number of aerials directed to different parts of the world. It is going to be quite an important centre; it is going to be the main communication service in the hands of General De Gaulle. Our staff in Montreal, working mostly overtime, has prepared all the plans and specifications. The Free French forces' main communication centre when completed will have been the work of the engineering division of the CBC. This, of course, was done at no cost to us, as General De Gaulle has promptly reimbursed all costs to us, on presentation of statements by us.

Here are some notes showing the progressive increase in the activities of the engineering division and additions made to the plant from year to year.

This is a rather long statement. Maybe I could skip the reading of 1939 and give you 1940 as a typical example of what is being done.

By Mr. Hanson:

Q. Will the balance that you say you are going to skip be put on the record?—A. Oh, yes. With your permission I should like to skip the reading of this long list of figures but it will be in the record.

Q. It would be interesting to see the improvement from year to year.—A. Yes, it will go in the record.

Fiscal year ending March 31, 1939—

Fixed Capital Assets.....	\$1,484,841 00
Technical Operating Costs.....	463,916 48

During this period the network time was increased in October, 1938, from 12 to 16 hours per day. The construction of two new 50-kilowatt transmitters was commenced at Sackville, N.B., and at Watrous, Sask. These 50-kilowatt transmitters did not commence operating in this fiscal year but part of their capital cost was committed, CBA approximately \$132,518 and CBK \$64,970. There was a further increase in the value of the plant at Verchères of approximately \$13,000 and of the plan at Hornby of approximately \$7,000. During this period the plant at Charlesbourg, CBV, was taken over by the corporation at a cost of approximately \$7,000, the balance owing on the rental-purchase basis.

Further construction was undertaken at the Montreal studios which, together with increased office equipment and office space made necessary by the operation of the duplicate French network, totalled approximately \$65,000. Similarly, the Toronto studio facilities were improved and enlarged to accommodate more staff and increased program activities, an amount of approximately \$25,000 representing the increased value of the plant at that point. In this same year was built the first CBC mobile unit at a lost of \$11,000. Finally, a site was purchased in Toronto for the proposed new studio and office building at a cost of \$51,000.

The increased technical operating cost of this fiscal year is accounted for by the fact that the new 50-kilowatt transmitters at Hornby and Verchères were operating for a full year and also the network time was further increased, requiring additional technical staff at main studio centres.

Fiscal year ending March 31, 1940—

Fixed Capital Assets.....	\$2,066,002 00
Technical Operating Costs.....	634,319 27

During this period the completion of the CBA and CBK 50 kilowatt transmitters and the commencement of operation of these units in the summer of 1939 was effected. This period marked also the commencement of construction of a new 5 kilowatt corporation-owned transmitter at Marieville for the English outlet in Montreal, CBM, this transmitter to replace obsolete equipment leased from the Canadian Marconi Company in 1933 by the CRBC. The total cost of the CBA transmitter was \$270,907, and of the CBK transmitter \$297,077. An amount of \$72,850 was committed towards the cost of the new 5 kilowatt transmitter at Marieville. Two domestic dwellings were erected at Verchères at a cost of approximately \$12,000 and five houses were erected at Watrous at a cost of approximately \$32,000.

Some \$45,000 was spent at the Keefer Building in Montreal, mainly for spare equipment to be held in stores. New offices were established in the Prudential Building, York Street, Toronto, at a capital cost of \$25,000 for furniture and partitions.

CBJ at Chicoutimi was taken over from the Canadian Marconi Company on payment of a balance of approximately \$5,000 owing on a rental-purchase plan. Some expense was also incurred during this period on account of the royal visit.

The increased operating cost to \$634,319.27 was mainly due to the operation of new transmitters at Watrous and Sackville. The cost of operating at Sackville is approximately \$40,000 a year, and at Watrous, where power costs are higher, \$50,500 per year, not including salaries in either case. About nine months of operation were represented in the operating costs in so far as these two transmitters were concerned, as they only came into operation in the summer of 1939.

Fiscal year ending March 31, 1941—

Fixed Capital Assets.....	\$2,344,769 00
Technical Operating Costs.....	765,136 83

During this period the transmitter at Marieville was completed at a cost of approximately \$144,000 and the installation of the CBFY shortwave transmitter was made at Verchères at a cost of \$56,000. Further improvements were made, both at the offices and at the studios in Toronto at a cost of \$6,000 and \$21,000 respectively. A third mobile unit was built for overseas work at a cost of \$10,000 and some initial capital expenditures in connection with the establishment of a new one kilowatt transmitter in the Toronto area, CBY at Dixie, were made, of approximately \$13,000. There were some further purchases of a capital nature at the Hornby transmitter of \$6,000 and at CBK of \$6,000. Further expansion at the Vancouver studios, costing \$9,000, was made to provide additional office lay-out. Improvements to the Ottawa studios were made at a cost of approximately \$25,000.

The full effect of the operation of CBA and CBK was felt during this fiscal year which accounted for part of the increase in operating costs. There was also some considerable expenditure during this period on improvements to leased properties which were charged to maintenance. A total of approximately \$84,000 was spent to improve our leased properties across the country during this period.

Fiscal year ending March 31, 1942 (estimated figures only)—

Fixed Capital Assets.....	\$2,519,525 00
Technical Operating Costs (estimated).....	861,619 00

The main capital expenditures during this period were for the completion of the shortwave receiving station at Verchères where an additional \$6,000 was spent, completion of the CBY transmitter at a total cost of \$57,538. An increase of some \$30,000 in capital assets held in stores at the Keefer Building was noted and an expenditure of some \$7,000 at CBJ, Chicoutimi, was made for increase in power from 100 to 250 watt. There was also an expenditure of some \$12,000 at CBK for the construction of two domestic dwellings to accommodate the staff, and an expenditure of \$9,000 for the purchase of nine low-powered repeater transmitters to be installed in remote areas along the CBC network in Canada.

During this period the increase in operating cost was due mainly to the large purchase of tubes for our plant against future acute shortage. In addition, there was a relatively large increase in the engineering salary budget on account of the reclassification of April, 1941.

This is a very brief description of our organization. I did not think it advisable to go into much detail because that would have required quite a long time in order to do justice to the importance of the subject. I shall

cover in detail any point or problem on which the committee may wish enlightenment.

I should now like to say a few words on the French network. From the very beginning of the CBC it was realized that if we were to give satisfactory service to the French-speaking population of the province of Quebec, we would have to consider the Quebec region production group as a distinct organization within the framework of our program division.

It was first decided to build a high power station (CBF) and to organize a network of lines which would permit easy control of the Quebec stations. That Quebec or French network now includes stations at New Carlisle, Rimouski, Ste. Anne de la Pocatière, Quebec, Chicoutimi, Montreal and Hull. This network is under the supervision of Jean Marie Beaudet, who is also supervisor of all our musical programs.

Major Murray already told you how meetings are held at our program national headquarters in Toronto, where all problems pertaining to program planning are discussed. Mr. Beaudet attends all these meetings and also the weekly meeting which takes care of last minute changes and of program traffic questions. The general approach to program planning is discussed on a national basis with proper consideration given to the possibility of exchange of programs between the national network and the Quebec network. All programs broadcast on the national network which may have an appeal for the province of Quebec are carried on the French network. The same applies the other way around. Most of these are musical productions. In that manner, symphony concerts, string orchestras and other similar programs are broadcast simultaneously on the French and on the national network. When, however, dramas and other similar productions are planned, parallel entertainment more acceptable to the listeners of the province of Quebec is provided from Montreal or Quebec for the French network. Occasionally an English program series may be broadcast on the French stations, for instance, the Shakespeare series. Similarly, typical French entertainment is sometimes carried on the English network, such as French operettas. In that manner, French Quebec gets a choice of the best musical entertainment produced for the general public and has its own entertainment more acceptable to people of French origin. The same applies to the national network where the majority of listeners are English speaking. There is, of course, an outlet of the national network in Montreal, CBM. May I mention here a few of these programs produced exclusively for the province of Quebec:

There is the series of classic and modern drama. During the winter season very well planned and rehearsed plays are produced, such as the great classics of Racine, Corneille, Molière, etc., as well as more modern plays by Marcel Pagnol, Paul Claudel, Henri Duvernois, Jules Romains, etc. This is an outstanding series which is very popular and is really a credit to the CBC.

Amongst the most popular serials is "Un Homme et son péché," a dramatization of high literary value intended to picturize the life of pioneers in the Laurentian mountains around 1890. This program has been on the air three times a week for a couple of years and is very popular.

Two of our best known programs are "Je me souviens" and "S.V.P." This last program is a serial similar to "Information Please."

For children we have "l'Oncle Paul," a question and answer program designed for primary school children. Five hundred to six hundred children are delegated from various schools every week to a hall where they are asked questions to test both their intelligence and their memory. Competitions are organized, and prizes are offered. This program takes place in Montreal and is very well thought of by the officials and teaching staffs of Montreal French-Canadian schools.

The latest serial inaugurated some months ago is "Monsieur Balthazar, l'homme du peuple," featured five times a week, (7.45-8.00 p.m.), intended to be a vehicle to present various matters of national interest to our listeners. The action takes place in a typical bilingual town of Quebec where there are all opportunities to discuss questions pertaining to war or to the economic life generally of Canada.

Whenever some new action is taken by the government we introduce the new topic in that serial. The question of rationing, salvage, and many others have already been presented in this very attractive and efficient manner.

We have also our own "Réveil Rural," or farmers' broadcast about which Major Murray spoke at some length.

Many well known French visitors are invited to lecture on the network. I shall have more to say about this when I speak of the war effort on the French network. I may say now that we are always on the watch not to miss any important visitor from France who has something to say and who can be of some interest or help to the population of Quebec.

Well planned educational series in the form of lectures on various subjects are given by the best French-Canadian educators.

Our most pretentious endeavour in the educational field has been "Radio-Collège." As explained by Major Murray, we have no school broadcast in the proper sense, in the province of Quebec. My thirty years' experience in the educational field led me to suggest that the time has not arrived to introduce this modern method of education in Quebec on the ground that its efficiency has not already been proven locally. We, therefore, decided to produce a series of lectures, designed for the general public, but chosen in such a way that they may be useful to students of the art course grade. We have secured the advice of the pedagogical committee of our classical colleges. The main purpose of this last year's effort was to show, by proper selection of lecturers and program matter, that radio can be most useful to educators. My orders were to do our utmost to have this production as perfect as possible.

You will be given a set of publications which we issued last year in connection with this program.

Educational institutions were simply informed of the fact that these programs would be on the air every afternoon from 4.30 to 5.00 p.m. Radio-Collège became popular very quickly, so much so that the results were much beyond our most enthusiastic hope. Besides the care exercised in choosing fully qualified lecturers with proper voices, we introduced a new feature by providing an illustration, so to speak, to each individual program. For instance, the 15-minute talk on history was immediately followed by a sketch on the topics of the day. Music lessons were, of course, accompanied by corresponding demonstrations. The course in literature was planned in connection with our Sunday evening "Théâtre classique." Lectures on science were followed by lectures covering the same subject but as applied mostly to the war. The series on natural history was illustrated by a well edited booklet of which a sample is being tabled to-day.

The Director of Radio-Collège, Mr. Aurèle Séguin, was very pleased to report that 262 broadcasts were offered this year. Letters from 2,484 listeners from all parts of the province of Quebec, other Canadian provinces, and the United States were received. Besides, it has been definitely established that the students of the following educational institutions have listened regularly to the broadcasts:—

Regional domestic science schools: 22 schools out of 38, representing 64 per cent of all students in the province.

Normal schools: 15 schools out of 29, representing 50 per cent of all students.

Scholastic normal schools for men: 5 out of 12, representing 42 per cent.

Scholastic normal schools for women: 14 out of 25, representing 56 per cent.

Classic colleges for men: 11 out of 31, representing 33 per cent.

Classic colleges for women: 22 out of 38, representing 50 per cent.

These are the results we have obtained by simply circularizing our schools to let them know this series was offered to the public.

One feature of our French network is the translation off the air, so to speak, of all important speeches and talks carried on the national network. If, for instance, His Majesty the King speaks on the CBC network, the minute he is through a translation in French is given immediately on the French network. This is an extremely difficult job and it can be done by very few people and only after long practice. The translation has to be done from memory with the very few notes that can be jotted down while the English version is received. Louis Francoeur used to do this admirably well. He has been succeeded by Marcel Ouimet and Roger Baulu, who have been able to live up to his reputation.

As explained by Major Murray, news service for the French network is handled by a French staff from Montreal.

It will be seen that good care is taken of the production of programs of special interest to the French population of Quebec.

A good appreciation of the general trend adopted in the production of French programs appeared in "Saturday Night" a couple of years ago, under the heading "Ici Radio-Canada". The article was written by Hans Valdin. A copy of that article is tabled. I would strongly advise the members of the committee to read that article which, I believe, is an intelligent interpretation of our aims from an English-Canadian point of view.

I fully concur with Major Murray's remark on the selection of artists and talent generally. All his remarks on this subject apply equally to the province of Quebec. May I say that our pay-roll at the Montreal studios is in fact a catalogue of all qualified artists and musicians in the province of Quebec. That pay-roll includes over 400 names every week and we spend approximately \$300,000 per year in artists' fees alone in our Montreal and Quebec studios. Unfortunately, it is impossible to provide enough work for all artists to make a living out of the CBC. Even if a singer, for instance, has two major programs per week for a whole season of twenty-six weeks, which would be quite a substantial commitment on our part, the fees received by the artist would not be sufficient to permit comfortable living. If we could afford to pay what is paid by American networks it would be quite different, but our standard of living, so to speak, cannot be the same with a total revenue of less than four millions and a half as that of other networks who have tens of millions of dollars to spend each year. This is an extremely important point. Without question, it is impossible for us to live up to American standards with one-tenth of their revenue. We have five time zones; we have two languages, and our four and a half million dollars revenue is just enough to keep us going.

By Mr. Graydon:

Q. I should like to ask you a question. I waited until you had pretty nearly completed your description of the French network.—A. I am not quite through.

Q. Will you finish, then, please?—A. We try to encourage new talent. "Mademoiselle au Piano", a program intended to offer an opportunity to pianists to show their talent, is a well known example.

However, we are much handicapped by the limited market from which we can choose writers and producers; we do have a very good choice of artists and musicians. You must have heard some of them on the national network. They can stand comparison with anyone from anywhere. When it comes to persons qualified to produce or write programs for local consumption the problem is more difficult. After all, there are only ten privately-owned stations in Quebec dealing with French programs, as compared to the sixty-five odd stations across Canada producing English programs exclusively. Besides, most of these ten

Quebec stations have been on the air for a relatively short time, so that not very many people have had an opportunity to develop their talent as producers. The same applies to writers. There are any number of men qualified to write, but few have shown that they can write efficiently for the radio. Many have obtained their training in our own studios.

You may have noticed that imagination and ideas are not lacking among our program staff, but whereas it is difficult to find proper help for English programs, at times it is impossible to obtain what we want for the French network. I may cite here one typical example. We had been trying for many months to produce, for the French network, a program similar to "Carry on Canada"; we finally found a producer capable of doing a good job. As a matter of fact he produced the show "Histoire en marche" for many months with great success. He was called by the Belgian government to join the army. We obtained for him an extension of nine or ten months, but he finally had to join the forces and went overseas. The program being well established and useful, we wanted to keep it on the air, so we tried a number of other producers without success and the series had to be abandoned. This is no reflection on the quality of the producers. It simply means that we could not find the proper men available to do this particular job. We have a very good program staff which is much overworked and altogether insufficient to do all we would like to do.

This is all I have to say for the present on the program policy for the province of Quebec. Much more should be said to give justice to the efforts of our program staff. Anybody who knows about our difficulties and financial limitations cannot but admire the devotion and success of our producers and program directors who operate under extremely difficult conditions, in cramped quarters and forced to work under a nervous strain which cannot be realized unless one has actually lived with them for a while.

Q. I purposely waited until you were finished because from the enlightened explanation you gave of the French network program scheme I wanted to be clear on one point, and that is, under the general set-up of the CBC the question of programs is entirely within the scope and field of the general manager. Your explanation and your report with respect to the French network lead me to ask this question as to whether or not the responsibility for the programs on the French network belong to you?—A. Well, I would say this is a matter of, shall I say, common sense. Many people in the past and even commercial advertisers have made the mistake of trying to cover Quebec with programs produced through a translation of English programs or produced with the characteristics of English programs. That won't do. It simply means that if we did this we would have no listeners. When we took over in 1936 we went to the trouble of producing programs which we thought would be good media to advertise, and they were. When they had been on the air for a while, the agencies saw that was the way to reach Quebec. As I said before, 90 per cent of the commercial programs on the French network are now produced in Montreal, in many cases by our own staff or by writers and producers whom we have trained ourselves, with the result that the listeners of Quebec have programs they like.

Q. I was not reflecting upon the type of program.—A. I say that to show, sir, that it is essential that the immediate control of Quebec programs be in the hands of someone who knows the province thoroughly, knows the reaction of the public. I would not assume for a moment to advise Major Murray on what is good for English Canadians. That is the idea behind this. Of course, Major Murray maintains his authority as chief executive and if anything goes wrong he is there to correct the situation. As I said before, in matters of church broadcasts or controversial broadcasts and other similar broadcasts he still retains his control because they are extremely difficult problems to handle,

and it is better that the man in charge of programs generally should maintain uniform policy across Canada.

Q. I can appreciate those remarks, but the only thing I want to make clear is whether or not the final authority with respect to the French network program scheme is in your hands or in the hands of Major Murray.—A. The final authority is in Major Murray's hands; in practice and to simplify operations he has delegated to me his powers for that particular job.

Q. In other words, you have been delegated by the general manager to supervise the matter of French network programs, as I take it?—A. Right.

Q. I notice one other reason.—A. May I add that I do not follow the French network programs as closely as he follows the English programs, and the French programs are subjected to discussion at our headquarters.

Q. What led me to ask the question more particularly than anything else was in one part of your explanation you said, "My orders were," and you went on to explain what your orders were in connection with the French network programs. I won't ask you to refer back to your evidence, but I took a note of it at the time. It indicated to me that the authority over the French network programs rested pretty largely with the assistant general manager, and I was thinking of the question of division of duties in the broadcasting corporation.—A. Pardon me. What I meant when I said that my orders to the staff were to do so and so was that, my own orders to my own staff were to try to produce the most efficient programs.

Q. That is what I thought you meant. I have no quarrel with that point. The division of duties between the general manager and the assistant general manager in the CBC is one that has caused me no little anxiety and concern, and the fact that the division is more with respect to the French network whereby the assistant general manager not only has control over commercials and engineering, but also under the present practical set-up he has to all intents and purposes, from a practical standpoint, charge of the French network as well, which is a further invasion of the field of the general manager's operations. In addition to that the assistant general manager has control of the finances; and when I see the title attributed to the general manager as being the chief executive it seems to me that at least a fair inference is that a large measure of the authority in connection with the CBC seems to rest on your own shoulders.—A. Well, of course, the matter of my looking after the French network has always been the way it is now since the beginning. In other words, the general manager thought he should rely on me for guidance on the French network policy, in so far as the types of programs to offer the public—

Q. I do not think anyone would seriously question that arrangement with respect to you personally because you are so well versed with the whole matter of the French network programs. But that does not strike the point, of course, that I am trying to make, and that is the question of the further invasion into the general manager's field of operations. Because it does seem to me by the time you take the French network out of the authority of the general manager there is not a very great percentage of the entire CBC operations left in his hands. I just wanted to point that out.—A. I may just add this detail, for instance. If we have in the budget a certain amount to go to artists' fees we authorize the program division to spend that much on artists' fees; the division between the different regions of the national network and the French network is not my responsibility. I am told that so much money has been set aside for the French network. My job is to see that we do not go over the amount provided for in the budget.

Q. To make your suit according to the cloth.

By Mr. Coldwell:

Q. I was going to ask this question: Suppose Major Murray considered a program suitable for Quebec, we will say, a French program broadcast from

London and recordings were made on the shortwave station here, and those recordings were sent down to Montreal, what would happen to them? Would you have the authority to say they would not go out?—A. No.

Q. You would put them on?—A. Of course; but as things happen, there would be no trouble at all, because before Major Murray will do that he will have a talk with me and we will certainly agree, unquestionably.

Q. And the sort of thing I have mentioned has never occurred?—A. No. If Major Murray said, "I must have that on the French network," it will go.

Q. If the recordings were made of a French program from London and were sent down by Major Murray believing them to be suitable for the French network—A. Do you have any specific case in mind?

Q. No, I am asking the question following Mr. Graydon's because he prompted the idea.—A. There is no question if Major Murray said, "I have a set of recordings from London or anywhere else which I believe should go on the French network," I would not object; but I would probably tell him if there were any shortcomings that should be looked after. Then if he said, "You had better put it on," it would go on; but we have never had any difficulty of this sort.

Q. I did not think you had any difficulty. I do not mean that. I just raised this hypothetical case to get it clear in my own mind.—A. In other words, Major Murray has the final say in programs.

By Mr. Graydon:

Q. He has the final say but I fancy he relies pretty heavily upon your close supervision of the French network just the same.—A. I am rather proud of it.

Q. Yes, I rather think you would be.

By Mr. Tripp:

Q. With regard to the French programs on the French networks, are they operated separately and distinct, financially, from the other part; are the financial costs of operation separate?—A. No, it is operated as one region of the national network.

Q. I notice in the booklet which you gave us here one program is put over in the form of a discussion on botany.—A. Yes.

Q. It is a very fine thing. I think it should go out from the CBC. I think it would be a good thing to go out all over Canada.—A. The money spent on that is part of the CBC budget across the country. Special sums have been appropriated for this particular work.

Q. Is the French network self-sustaining as far as costs are concerned?—A. What do you mean? We are self-sustaining in this respect, we do not spend more than we get.

Q. Does the revenue received from the French network pay all the costs?—A. You mean, commercial or licence fees?

Q. Yes.—A. Frankly, I cannot tell you exactly. It would probably be a little difficult to segregate the cost from the rest because you would have overhead to take into account. I really could not tell you.

By Mr. Graydon:

Q. I suppose you have no occasion to segregate them?—A. No; it would be extremely difficult.

Q. Overhead would be the biggest problem?—A. We spend more money in Montreal than anywhere else because we have our engineering division there, which spends a lot of money. Our Montreal studios produce more than any other studios on account of the fact that there is a bilingual situation there. They have to produce both for the English and French networks so we really spend more money there; but most of it is for the network.

By Mrs. Casselman:

Q. Do these programs go out on the French network to the Prairies?—
A. We do recordings of special programs.

Q. This Radio-College would not go out?—A. I do not think there are any of those going out to the Prairies.

Q. This would be very interesting to French listeners in the Prairies. Is it sent to the Prairies from Winnipeg?—A. From Watrous.

By Mr. Ross:

Q. I do not suppose you have nearly as many sponsored programs in Quebec as you have in the rest of Canada?—A. No, we have not got as many—you mean in proportion?

Q. In proportion.—A. No, I do not think we have quite as many at the present time. We have probably as many and maybe a little more in day time.

Q. Is there any other source of origination of programs outside of Canada; are there any coming from the United States?—A. I do not think you can get anything from anywhere other than Montreal or Quebec.

Q. You really have none from the States?—A. England gives us some news, yes, and our own unit in England produces programs for the French network.

By Mrs. Casselman:

Q. Are the BBC programs translated into French?—A. They are done in French in London and rebroadcast in Quebec in French.

Q. Is the broadcast to the Prairies delivered in French?—A. No. Major Murray told you there is a special service for the Prairies; but we broadcast every day up to a very few weeks ago the CBC French news. A few weeks ago we replaced two of the five to make room for a program supplied to us by the information office in Ottawa. We had a program called "Pour plus ample information", which is supposed to be the answer to German propaganda in French.

By Mr. Coldwell:

Q. Have you anything comparable to the Radio News Reel? I think that is a very good program from the point of view of the English people.—A. No.

Q. Of course that could not be translated—A. Not only that, but the idea behind the whole show is such that it does not "click" unless it is delivered at the right time.

Q. What about the British-French programs from London that they put over the shortwave radio, a news reel to France?—A. I heard some weeks ago that there is in Ottawa a set of recordings that were sent from London to the Free French here. I have delegated some of our personnel to hear these programs, and I will look after it myself. I think a couple of dozen will be good material to put on the French network.

Q. The difficulty about the Radio News Reel is that it would lose its effect in a recording. The thing about that is the fact it is topical every day. You get something that happens during the day.—A. From recordings you would not have that.

By Mrs. Casselman:

Q. Would there be any notice given to Quebec as to the times when these programs for Free France are put on?—A. Not of the publication you are referring to. The programs it covers are set for three talks every second week. Those are external programs. They go from Montreal through an American station to France.

Q. You give advance program information as to what is going over the English stations; do you give the same advance information with regard to the

French network?—A. No, they are not heard in Quebec, except through an occasional signal of WRUL, Boston, from its shortwave aerial designed to broadcast to France, not to Quebec. A shortwave is a very capricious thing, you know.

By Mr. Coldwell:

Q. Do you translate any of the English programs into French; for instance, those radio soap programs?—A. We do not translate them; we have other programs.

Q. Others just as bad?—A. Just as good.

Now, I should like to give you some indication of what we have done in the French network in the way of war effort.

The question of the war effort of the French network was raised at the beginning of this inquiry. I have here some statistics which will be tabled. They will prove, I am sure, that in this respect our activities have at least equalled those of the national network.

The statistics in this report are those of programs described as typical "war-broadcasts" and carried over the stations of the CBC's French network since September, 1939. The figures do not take into account the innumerable ordinary scheduled programs which mentioned, incidentally, the military activities of our nation or her allies, the many spot-programs concerning recruiting and salvage campaigns, or such broadcasts which pertained to other than the military aspects of the war. Most of the "war-broadcasts" were the original creations of the French network, but a good number were also supplied by the British and American networks.

The CBC's French network's contributions to the Canadian and United Nations' war effort are evident in all its broadcasting activities. A program pattern has been in force, since the start of the war, in which "war-broadcasts" are intermingled—with good taste—with the ordinary daily scheduled programs such as: music, talks, actualities, news, drama, and so forth.

It would be practically impossible to give a complete survey of all programs carried by the French network, since September 1939, which have been related either directly or indirectly with the war. The data below concerns only those programs which are described as typical "war-broadcasts", and only the most outstanding ones, at that.

From its inception, the French network has always been aware of its power as a medium for the distribution of information. Since the outbreak of war, the network has made that power available to the military and civil authorities who, through it, have been able to keep the public at large informed on national policies, regulations and needs. Through the facilities of the French network, the government's official spokesmen and other authorities have been able to reach directly the French-speaking Canadian radio audience. Besides that, the historic speeches and appeals of allied statesmen—especially British and American—have also been carried for that listening public. In most cases, those talks were given in English and the French network, not content with broadcasting them as they were, had a French translation broadcast immediately afterwards, by experienced journalists.

The first such translator employed by the French network was the late Louis Francoeur, a noted French-Canadian journalist of wide culture. Mr. Francoeur joined the network a few days before the outbreak of hostilities. His popularity grew at a rapid pace and the French network soon gave him a fifteen-minute period for the broadcast of a commentary on the international situation, first weekly, and then daily. These commentaries became so popular that a Montreal publisher had them printed in pamphlet form and sold to the public every fortnight. Mr. Francoeur's popularity became so wide that the CBC found it necessary to have him record a weekly summary for broadcast to

the French listening public in the Prairies, through the facilities of CBK (Watrous).

Apart from his commentaries and translation of speeches of Allied leaders, Mr. Francoeur translated "de visu" the noon-day edition of the BBC news carried by the CBC's national network direct from London. The translation of the BBC news by Mr. Francoeur was carried by the French network six days a week.

Mr. Francoeur was killed in an unfortunate automobile accident in May, 1941.

Since that time the daily translation of the BBC news and the speeches of allied statesmen has been done by Mr. Marcel Ouimet, Chief Editor of the French network. The commentaries have been carried on by two leading French-speaking journalists, Eustache Letellier de Saint-Just and Jean-Louis Gagnon. In recent weeks the French network, in order to vary its formula, has reduced the number of commentaries to two a week—on Saturday and Sunday evenings. On Tuesdays and Thursdays, the periods formerly set aside for such broadcasts are now being used for the program "Pour plus ample information" (For Further Information), a new series produced in co-operation with the Federal Bureau of Information.

By Mr. Coldwell:

Q. Before we leave that point, may I say I said the other day I never listened to Mr. Francoeur. I have since seen translations of some of the articles that he wrote before he became a commentator on the CBC. He was one of the editors of *l'Illustration*, and the articles in that paper which appeared over his signature from time to time were certainly anything but friendly to Great Britain and were very friendly to Italy and to the fascist point of view. I just wondered how carefully Mr. Francoeur was chosen and just what his commentaries were because by emphasis on a few words here and there he could have a great influence on his listeners. I know that he was of course popular but that does not convey anything. The translations of some of the articles I have in my office, as a matter of fact—I did not bring them this morning—would indicate that his ideas were not in conformity with the democratic point of view; and I wondered just to what extent his commentaries had been responsible for the very disastrous situation which we have in the province of Quebec.—A. May I ask if you heard any remarks of this sort on his work over the CBC, any complaints about what he said on the CBC network?

Q. Well, I think I recollect reading some criticisms in *Le Jour* a year or two ago. What I am getting at is this: I think a commentator has to be chosen pretty carefully. The fact he was editor of a paper of the type of *l'Illustration*, which Arcand was associated with for some time, would to me, at least, convey some suspicion as to his—would convey some suspicion to my mind, I will leave in that way.—A. Well, Francoeur belonged to different political parties in turn. He was able to change his mind very easily. I have a note on him here. I do not know whether I should put it in now or later on. I may say now that I am fully convinced that Francoeur did immense good to the French population towards the war effort.

Q. I say I never saw any of his articles.—A. I heard many of his broadcasts, read some of his script, and he did a splendid job of leading the public in the right direction. I have never heard any complaint of his actual broadcasts on the French network from the angle you point out now. I knew his past history; I would not endorse that at all. But what he did for us was a splendid work of propaganda—I do not like the word propaganda—he did a splendid job in educating the public. He has been complimented by many people. Even General De Gaulle sent him personal greetings and commenda-

tion. I have never heard a thing or never noticed anything in his commentaries but good educational broadcasts in favour of Canada and the war effort, and I say that with as much emphasis as I can because I am fully convinced of that. What he did before he came to us, is another story.

Q. I simply raise that because of what I had seen in *Le Jour* particularly. I never heard one of his commentaries. I know nothing about them, but I know he was one of the editors of *l'Illustration*.—A. The relations between Mr. Francoeur and *l'Illustration* and Mr. Jean Harvey is a lengthy story. There is a lot of the personal feeling there, I am sure, that should not come into the national picture.

By the Vice-Chairman:

Q. You would say Louis Francoeur did a good service to the CBC in so far as carrying out the ideals of the CBC with regard to the war was concerned?—A. No question about it. Not only that, but he worked with extreme efficiency, especially on certain days where it was a difficult job to explain to the public what had happened or what would happen. He did that very nicely, and on a number of times, by request, he postponed commenting on certain points in order to be able to comment on it later in its proper setting. I say that Francoeur did an extremely important job in educating the Quebec people properly and we have lost in him, as a matter of fact, a very efficient man. He did his broadcasts from a historical point of view and a literary point of view. He had his ways. He was welcomed in the homes, and they talked about not Francoeur's but Louis' broadcasts. He had become part of the national set-up in Quebec. I should like to know if anybody has heard anything in his broadcasts which were not as I say now. I know there has been a lot of talk about him. A lot of it started from political quarters; that is, from personal opinions; but as a matter of fact I should like to be shown anything in his commentaries on the news of the day which was not fully in accord with the policy of CBC.

Q. I think probably the committee agrees we should have Mr. Harvey here. He said he was willing to substantiate his statements before a parliamentary committee. I think he should be called so we can clear these points up.—A. The whole thing is really too bad because these bickerings and discussions and divisions are not in favour of the war effort.

Q. We have them in English too.—A. Yes, I know.

By Mr. Tripp:

Q. Everything that goes out over the network has to pass the censorship?—A. Well, it does, not commentaries though. The commentators have the same status as the newspapers. They know the regulations; they know the rules and they are on their honour to follow them.

By Mr. Graydon:

Q. Dr. Frigon, leaving this subject for just a moment; with respect to the French network do the farm broadcasts take up any considerable or substantial portion of the network time?—A. As such?

Q. Yes.—A. One-half hour per day.

Q. What does it consist of, market reports?—A. Major Murray enlarged on that. It consists of advice to farmers, market quotations and so on.

The VICE-CHAIRMAN: Ladies and gentlemen, it is now three minutes to one and Dr. Frigon has just about read one or two pages of his summary of the CBC French network war effort. What would be your desire with regard to the next meeting?

Mr. COLDWELL: Thursday.

The VICE-CHAIRMAN: Dr. Frigon requests the privilege of placing on the record his notes on Louis Francoeur to which he referred. Is it the desire of the committee that he should do that?

Mr. COLDWELL: That would be all right.

The VICE-CHAIRMAN: So far on Thursday there are only two committee meetings booked. Is it the desire of the committee to meet on Thursday?

Mr. SLAGHT: What are the two committees?

The VICE-CHAIRMAN: Reconstruction and Re-establishment, and Land Settlement. We shall meet on Thursday at 10.30, then. Dr. Frigon will then finish his statement.

Mr. COLDWELL: I should like to say something just before we leave. The other day—I have just forgotten which day—I asked a question about Mr. Nathanson, the president of the Famous Players Corporation, and I remarked that a new governor had been appointed from Vancouver, Mr. Holland, and said he was counsel for the Famous Players Corporation. I find that I was not correct in that statement. I wish to make the record correct in that regard. He was at one time counsel, but I understand he has not been counsel for Famous Players for several years. I should like to have that correction recorded.

The Committee adjourned at 1 o'clock to meet on Thursday, June 4, 1942, at 10.30 o'clock a.m.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

June 4, 1942.

The Select Committee on Radio Broadcasting met this day at 10.30 o'clock a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. Mrs. Casselman and gentlemen, we have a quorum and we shall proceed with the business of the meeting. Dr. Frigon will take up where he left off.

Dr. A. FRIGON, recalled:

The WITNESS: At the last meeting we were talking about the war effort of the French network. I should like to resume reading my brief at the point where I left off. When I am through I should like to read a statement on Louis Francœur and on the pension fund, and I should like to table three documents which were called for at the last meeting. May I remind you we are talking now strictly of war broadcasts; that is, those programs which exist on account of the war, so to speak.

News—

When the National News Service was organized on January 1, 1941, a bilingual bureau was set up in Montreal, under the direction of Mr. Ouimet. That bureau prepares all newscasts for the stations of the French network. Its editors choose and adapt the Canadian Press and British United Press despatches for the French-speaking listeners. The news bulletins prepared in the Montreal bureau vary from those of the other bureaux spread out across the dominion, in that more attention is paid to such news items as are of particular interest to the network's listeners or concern the Free French.

Free France—

The French network, at all times, co-operates very closely with the Free French movement of General Charles de Gaulle. It never forgoes an opportunity to broadcast the speeches of Free French leaders such as: General de Gaulle himself, Admiral Muselier, Commandant d'Argenlieu, Lieutenant Savary, Henri de Kerillis, Philippe Barres, André Savignon, Henry Torres and Jules Romains.

Early this year the French network extended its policy of collaboration with the Free French by carrying a weekly series of talks on Free France. The programs are broadcast every Tuesday and produced in co-operation with the Quebec de Gaulle Committee. The network has also carried a number of talks on Free France on other regularly scheduled programs. Among these were the talks given by Miss Elisabeth de Miribel, Miss Geneviève de la Tour Fondue and Miss Cécile Bouchard, when they were guests on the women's program "Femina."

Co-operation—

The French network has, at all times, co-operated heartily with the federal government's various war agencies, the Senate Co-operation Committee, the Bureau of Information, the War Loans and Savings Publicity Committees, and so on.

Recruiting—

The network has always made its facilities available for recruiting purposes. During recruiting campaigns special programs were broadcast over the network's stations and many spot announcement periods were provided to further the cause. The Civil Director of Recruiting, Léon Trépanier, has spoken several times over the French network and, since last autumn, the CBC has been offering from Quebec city a series of regular broadcasts designed to help recruiting.

Training Centres—

During the latter part of 1939 and in 1940 the French network carried a series of actuality broadcasts from the various military training centres throughout the province of Quebec. Later, in reply to the request of the recruits, the network broadcast directly from some of the camps several of its dramatic and musical programs such as "Rendez-vous avec Agostini," and "Un homme et son péché."

War Savings—

War loan broadcasts have been especially numerous on the program schedules of the French network. The highest leaders of church and state, such as His Eminence Cardinal Villeneuve and Premier Godbout, have taken part in many of them. From time to time the stations of the French network have broadcast spot announcements urging the public to buy more war savings certificates and stamps. The CBC has set an example by distributing war savings certificates and even a Victory bond to the winners of its own "SVP" quiz program.

War atmosphere—

All French network program producers, especially those engaged in dramatic work, have always shown their willingness to co-operate in furthering the nation's war effort. They endeavour to have one of the characters dwell in a military atmosphere, and they never pass up an opportunity to mention, in their plays, current recruiting, rationing and salvaging campaigns.

Farm broadcasts—

The French network's farm broadcast, too, is an excellent example of cooperation between government agencies and the network. The commentators of the farm broadcast "Le Réveil Rural" ask the farmers to aid the federal authorities in maintaining the price ceiling policy and the salvaging of materials—especially of precious scrap iron. They advise the farmers to increase their production of all foodstuffs, especially those such as cheese, eggs and hogs, which are needed for export to several of the United Nations. They also urge the farmers to pool their farm implements in order to compensate for the lack of new instruments caused by the war.

Women's broadcasts—

On the other hand, the French network's woman announcer tells housewives, every morning, during her culinary program "Madame est servie" (Madam is served), how to use substitutes and, at eventime, during her reading of daily news and commentaries from the women's world, she gives her audience the latest news of the rationing of clothing and mentions the various activities of the forces' feminine auxiliary corps.

Actualities—

The French network also keeps its listeners posted on what is going on in war industries and other wartime centres. In this line of broadcasting the network offers its listeners various actuality broadcasts, such as the launching

of warships and merchantmen, verbal descriptions of the production of guns and tanks, inauguration of arsenals and aircraft schools, etc.

In the realm of actuality broadcasts since the start of the war, that which covered the celebration of Solemn Victory Mass, at Notre-Dame Church in Montreal, in February, 1941, stands out, even to-day, as a unique feature of broadcasting. It was relayed to the United States and Europe, through the facilities of NBC and BBC.

Overseas Unit—

The CBC's most direct contribution to the war effort is undoubtedly its overseas unit, a roving recording studio which registers various types of broadcasts, many of them intended solely for French-Canadian listeners.

The outstanding production of that overseas unit is the weekly program "Jean-Baptiste s'en va-t-en guerre" (Johnny Canuck goes to war), during which French-Canadian soldiers get a chance to send direct greetings and messages to their families and friends. The corporation furnishes the newspapers in advance with a complete list of those to be heard on the next program and, consequently, the interested families are assured of not missing the programs.

Talks—

Apart from being a national and an international forum, the French network carries many talks on the varied aspects of the present war. These are given in series by technicians and experts or by church, state or military leaders. One of them, "O Canada!", for instance, proved to be so popular that the Federal Bureau of Information had it printed by the thousands and distributed throughout schools and colleges.

Finally, the French network has carried a vast number of "spot announcements" in support of numerous campaigns connected with the war effort.

A list of programs follows, which were either especially produced to help the war effort or, even when they came from outside sources, greatly helped in making French-Canadians conscious of their duties and of the role of our country in the world war. It is a list of what we call special war broadcasts. Since the beginning of the war there have been 5,633 French network broadcasts covering 1,864 hours.

GENERAL STATISTICS

WAR BROADCASTS

Year	Number of programs	Number of hours
1939-1940	931	199
1940-1941	1,809	595
1941-1942*	2,893	1,060
Total.....	5,633	1,864

* Unofficial figures.

Then I have a list covering five pages containing names of most of the well known men in the world:

By Mr. Coldwell:

Q. You are not reading all the list?—A. No.

Q. It will be put into the record?—A. Yes. This list is a list of talks coming mostly from abroad and mostly in English. We only give the outstanding ones here. There is a list of 195 names.

INTERNATIONAL FORUM

(The following talks, given mostly abroad and mostly in English, were broadcast by the French Network and immediately afterwards translated into

French. Some of these speeches were delivered in French and were translated into English by Louis Francoeur.)

1939—

August—

- 24—Neville Chamberlain
 - Commentary from London
 - Lord Halifax
 - BBC News (first regular daily broadcast)
- 25—Edouard Daladier
- 26—Commentary from London
- 27—Commentary from London
- 28—Commentary from London
- 29—Chamberlain
 - Anthony Eden

September—

- 1—Hitler
- 3—Chamberlain
 - His Majesty the King
 - Daladier
 - Roosevelt
- 6—Raymond Gram Swing
- 11—Eden
- 17—John Gunther
- 19—Hitler (at Danzig)
 - Commentary from London
- 21—Daladier
 - Roosevelt

October—

- 1—Winston Churchill
- 6—Eden
- 10—Daladier
- 11—Sir Kingsley Wood (Secretary for Air)
- 20—Capt. M. Halle
- 25—Eden

November—

- 3—Victor Podowski (from the Polish Consulate)
- 7—Lord Halifax
- 11—Her Majesty the Queen
- 12—His Holiness the Pope
 - Churchill
- 21—Capt. H. Balfour (Under-Secretary for Air)
- 26—Chamberlain

December—

- 1—Daladier
- 18—Churchill
- 21—Sir Samuel Hoare
- 23—Victor Podowski
- 25—His Majesty the King

1940—

January—

- 3—Roosevelt
- 9—Chamberlain
- 20—Lord Halifax
Churchill
- 27—Churchill
- 29—Ignace Paderewski (New President of Poland)

February—

- 23—Churchill (on the *Ajax* and *Exeter*)
- 24—Chamberlain

March—

- 26—Paul Reynaud (new French Premier)
- 30—Churchill

April—

- 3—Reynaud
- 9—Chamberlain
- 11—Churchill
- 13—The Queen
- 18—Clement Attlee
- 23—Churchill
Alfred Duff Cooper
- 27—Sir Samuel Hoare

May—

- 6—Lanegan O'Keefe (High Commissioner for Southern Rhodesia, in London)
- 10—Chamberlain (to announce his resignation)
Silvercruys (invasion of the Low Countries)
- 19—Churchill
- 22—Silvercruys
- 23—Air Marshal Joubert
- 24—The King (Empire Day)
- 26—Roosevelt

June—

- 2—Reynaud
- 6—Comte Serge Fleury (of the French Department of Foreign Affairs)
- 10—Reynaud
Duff Cooper
Roosevelt (on Italy's declaration of war)
- 14—The Queen (in French)
- 17—Churchill
Princess Juliana
- 18—Churchill (on France)
- 19—Duff Cooper
- 20—Cordell Hull
- 26—Eden
- 30—Chamberlain

July—

- 4—A. V. Alexander
Churchill (to the House of Commons)
- 6—Attlee
- 8—King Haakon (of Norway)
- 11—Duff Cooper
- 14—Churchill
- 22—Halifax
- 24—Lord Beaverbrook

August—

- 1—General Charles de Gaulle
- 5—Jules Romain
- 7—David Lloyd George
- 14—Eden

September—

- 1—Victor Podowski
- 11—Churchill (on London air raids)
- 23—The King
- 28—Roosevelt (Washington airport)

October—

- 12—Roosevelt (National Defence)
- 13—Princess Elizabeth
- 17—Jules Romain
- 19—The Pope
- 21—Churchill (bilingual speech to France)
- 26—Churchill

November—

- 11—Roosevelt (Armistice)
- 14—Silvercruys
- 20—Rev. R. Llewellyn

December—

- 23—Churchill (on Libya and Italy)
- 25—The King
- 29—Roosevelt

1941—

January—

- 6—Roosevelt (lease-lend Act)
- 20—Inauguration of President Roosevelt and Vice-President Wallace

February—

- 9—Churchill
- 16—Ernest Bevin (Secretary for Labour)
- 18—A. V. Alexander (first Lord of the Admiralty)
- 23—Beaverbrook

March—

- 15—Roosevelt
Pierre Dupong (of Luxembourg)
- 23—Beaverbrook
- 24—Wendell Willkie
- 29—Roosevelt (Jackson Day Dinner)

April—

- 13—The Pope (Easter message)
- 23—Madeleine Carroll
- 24—Cordell Hull
- 27—Churchill
- 22—Commandant Thierry d'Argenlieu—of Free France
- 29—Lieutenant Alain Savary—of Free France

May—

- 3—Churchill
- 27—Roosevelt

June—

- 1—A. V. Alexander
Churchill
- 3—Dorothy Thompson
- 16—Colonel Frank Knox (Secretary of the Navy)
Churchill
- 22—Churchill (on the invasion of Russia)
- 26—The Pope
- 29—The Pope (rebroadcast)

July—

- 14—General de Gaulle
Churchill
William C. Bullitt (ex-U.S. Ambassador to France)
- 21—Roosevelt
- 24—Prince of Bourbon-Parma (of Luxembourg)

August—

- 2—Sheila Macdonald
- 10—The Queen
- 14—Clement Attlee (on Churchill-Roosevelt meeting)
- 17—Duff Cooper
- 22—D'Argenlieu
- 24—Churchill

September—

- 1—Anniversary of the war
Roosevelt
Haakon (of Norway)
Peter II (of Yugoslavia)
General Sikorski (of Poland)
Hubert Pierlot (of Belgium)
General de Gaulle (of Free France)
Jan Masaryk (of Czechoslovakia)
C. H. Simopoulos (of Greece)
J. Beck (of Luxembourg)
- 4—Churchill
- 6—Willkie
- 8—The Duke of Kent
- 9—Henry Torres
- 10—The Duke of Kent
- 11—Roosevelt
- 13—Henry Torres
- 16—Halifax
- 17—The Duke of Kent

October—

- 3—Roosevelt
Willkie
- 12—Beaverbrook
- 22—Paul Spaak (of the Department of Foreign Affairs, Belgium)
- 27—Roosevelt

November—

- 6—Roosevelt
- 10—Churchill
- 11—Roosevelt (Armistice)
- 19—Halifax
- 27—Masaryk

December—

- 6—Phippe Barres
- 8—Roosevelt (war with Japan)
- Churchill
- 9—Roosevelt
- 15—Roosevelt
- 17—Admiral Emile Muselier
- 25—The King
- 26—Churchill (from Washington)
- 30—Churchill (from Ottawa)

1942—

January—

- 4—Eden (trip to Russia)
- 6—Roosevelt (armament program to Congress)

February—

- 15—Churchill
- 23—Roosevelt

March—

- 4—Silvercruys
- 8—Mme Chiang Kai-Shek
- 9—Roosevelt
- 18—Halifax
- 28—The King (day of prayer)
- 30—Sir Stafford Cripps (from New Delhi)

Following that we have a list of foreign speakers. There are 42 of those. Some of them came on more than once.

FOREIGN SPEAKERS

(Notwithstanding those already mentioned)

- Georges Claude (of the French Institute)—
- Jules Romains—August and October, 1940.
- Count Serge Fleury—June, 1940.
- Victor Podowski—December, 1939
- Tracy Phillips—July, 1940.
- Jacques Maritain—February, 1940.
- Thomas Greenwood—September, 1940.
- Rev. Robert Dolbec—August, 1940.
- Henri de Kerillis—July, 1940.
- André Maurois—of the French Academy—July, 1940.
- Louis Gillet—of the French Academy—
- Madeleine Carroll—October, 1940.
- Eve Curie—
- Baron Silvercruys—May, 1940.
- Princess Juliana—June, 1940.
- King Haakon of Norway—September, 1940.
- Rev. R. Llewellyn—November, 1940.
- Pierre Dupong of Luxembourg—March, 1941.
- Wendell Willkie—March, 1941.
- Maurice Dekobra—April, 1941.
- Cordell Hull—April, 1941.
- Thierry d'Argenlieu—April, 1941.
- Alain Savary—April, 1941.
- André Savignon—1940.

Frank Knox—June, 1941.
 Dorothy Thompson—June, 1941.
 William C. Bullitt—July, 1941.
 Prince of Bourbon-Parma of Luxembourg—July, 1941.
 Sheila Macdonald—August, 1941.
 Peter II of Yugoslavia—September, 1941.
 General Sikorski of Poland—September, 1941.
 Hubert Pierlot of Belgium—September, 1941.
 General de Gaulle of Free France—September, 1941.
 Jan Masaryk of Czechoslovakia—September, 1941.
 J. Beck of Luxembourg—September, 1941.
 C. H. Simopoulos of Greece—September, 1941.
 Henry Torres—September, 1941.
 Paul Spaak of Belgium—October, 1941.
 Philippe Barres—December, 1941.
 Admiral Muselier—December, 1941.
 Mme. Chiang Kai-Shek—March, 1942.
 André Chéradame—April, 1941.

Then we have rebroadcasts of BBC news every day at noon, and in the evening in French, BBC French news.

Then we have from the BBC also, programs produced by our own staff.

Weekly—

Jean Baptiste s'en va-t-en guerre (Johnny Canuck is going to war).

Le courrier français (The French news-letter).

Les cahiers français (The French note-book).

Les voix françaises (The Voice of France).

(The latter has been replaced, since April 24, 1942, by: "Cette semaine à Londres" (This week, in London).)

These broadcasts are produced by the CBC's overseas unit, in co-operation with the BBC.

At irregular intervals—

Speeches by Allied Statesmen.

RELAYS FROM NBC

At irregular intervals—

Speeches by Allied Statesmen.

Then we have the national forums. There is a list here covering five pages:—

NATIONAL FORUM

(The following talks were given either in French or in English, these having been translated into French, either by a CBC or a government official.)

1939—

September—

3—Prime Minister Mackenzie King (hereafter called "King")

Ernest Lapointe

Norman Rogers

C. G. Power

7—Speech from the Throne (Summary)

8—A statement for the Department of Labour on war profiteering

10—Déclaration of war (Summary)

12—Budget revision (Summary)

October—

- 18—Vincent Massey
- 24—Marcel Parizeau
- 27—King
- 31—King

November—

- 8—Prime Minister Adélard Godbout (hereafter called "Godbout")
- 13—R. J. Manion.
- 14—Mgr. Gauthier (Red Cross)
- 22—T. A. Crerar
- 24—J. L. Ralston

December—

- 10—Norman McLarty (on the Wartime Prices and Trade Board)
- 27—King (Commonwealth Air-Training Plan)
- 20—Rogers

1940—

January—

- 1—Godbout
- 7—C. D. Howe
- 14—Lapointe
Ralston (First War Loan)
- 17—Raoul Dandurand (Loan)
- 21—J. L. Ralston (Loan)
- 29—Francis Fauteaux (War Huts)

February—

- 11—King (War Services)
Manion (War Services)
Lapointe (War Services)

March—

- 1—Air Marshal William Bishop

May—

- 4—Godbout
- 6—Rogers
- 9—Lord Athlone
- 10—King
- 16—Speech from the Throne—Sirois Report (Summaries)
- 20—King (in Commons) (Summary)
Rogers
- 23—Howe
Power
- 25—Cardinal J. M. R. Villeneuve
- 26—Lapointe (War Savings)

June—

- 7—King
- 8—King
- 14—King (in Commons) (Summary)
- 18—Lapointe
Ralston
- 19—Massey
- 26—Brigadier General Georges Vanier

July—

- 10—Power
- 26—James Gardiner (National Registration)
- 29—King (in Commons) (Summary)
- 30—Howe
Gardiner

August—

- 8—Major General Laflèche
- 11—Athanase David
- 12—Mrs. Athanase David (National Registration)
- 14—Lapointe (National Registration)
- 15—Hertel Larocque (National Registration)
Paul Langlais (National Registration)
- 16—P. J. A. Cardin

September—

- 4—Pierre F. Casgrain
- 8—J. L. Ilsley (Second War Loan)
- 10—James Duncan (Deputy Minister for Air)
- 16—Cardinal Villeneuve (Loan)
- 21—Laflèche
- 22—DeGaspé Beaubien (War Savings)

October—

- 26—Lapointe (To France)
Jean-Charles Harvey (On a Federation of Democracies)
- 31—Air Marshal Bishop

November—

- 14—Com. de Niverville (Aviation)

December—

- 31—King

1941—

January—

- 1—Godbout
- 26—Ralston

February—

- 1—King
- 22—Col. Royal Gagnon (on RCMP)

March—

- 9—French Federated Charities
- 21—Lord Athlone
- 22—Armand Dupuis—War Services
Léon-Mercier Gouin—War Services
- 24—King

April—

- 8—Ralston
Power
Angus Macdonald
- 17—Cardinal Villeneuve
- 24—Howe
- 28—King (in Commons) (Summary)

May—

- 11—Ralston
- 15—Lapointe—Victory Loan
McLarty
- 17—O. B. Hanson
- 19—E. L. Patenaude (Loan)
- 24—John Blackmore
Sir Eugène Fiset
- 31—J. Coldwell

June—

- 1—King (Loan)
Lapointe (Loan)
- 2—Godbout (Loan)
Louis Saint-Laurent (Loan)
Rev. Olivier Maurault (Loan)
- 6—Hanson
- 7—King, Hanson, Meighen, Lapointe (Commemoration of Sir John
A. Macdonald)
- 8—Cardinal Villeneuve (Loan)
Mgr Alexandre Vachon (Loan)
- 9—Beaudry Leman (Loan)
Wilfrid Gagnon (Loan)
Raoul Trépanier (Loan)
J. B. Delisle (Loan)
- 11—King (Victory Torch)
- 14—Henri Clément (Loan)
- 17—King (Loan)
Godbout (Loan)
Cécile Bouchard (on d'Argenlieu)
- 23—Edouard Labelle (on recruiting)
- 25—Lapointe, Godbout, Patenaude, Saint-Laurent (Loan)
King, Ilsley (Loan)

July—

- 8—Lapointe
- 10—Power
- 16—Pierre F. Casgrain (on recruiting)
- 17—McLarty
- 23—Wilfrid Gagnon (on Oil Control)
- 27—De Niverville

August—

- 10.—Col. Chaballe
Power
- 22—Suzanne Mousseau-Donnelly (on France)

September—

- 4—King (from London)
- 10—Lapointe
- 11—Howe
- 13—Cécile Bouchard (Women and the War)
Lapointe
Major General Tremblay
- 14—Ralston
- 15—Casgrain
- 17—King
- 20—C. R. Cottrelle
- 24—Lapointe
- 30—Power

October—

- 18—King
- 25—McLarty

November—

- 2—Léon Trépanier (on recruiting)
- 8—Lafèche
- 9—Angus Macdonald
Adhémar Raynault
- 12—Philippe Brais (War Loan)
- 28—Georges Bouchard (W.P.T.B.)
- 29—Roger Charbonneau (Salvaging)
Mrs. Casgrain

December—

- 6—King (Declaration of war to Hungary, Rumania and Finland)
- 8—King
- 10—De Niverville
- 11—Laflèche
- 18—Mrs. Casgrain
- 31—Brigadier General Pânet

1942

January—

- 1—Godbout
- 13—Camille Paquereau (on Free France)
- 26—Donald Gordon (on sugar rationing)
- 27—Cécile Bouchard (on Free France)
- Victory Loan—27-28-29-30-31

February—

- Victory Loan—every day till the 27th
- 14—Mrs. Casgrain (on Ceiling)
- 15—King
 - Philippe Brais
 - Patenaude
 - Mrs. Casgrain
 - Beaudry Leman
 - Godbout
 - Power
 - De Niverville
 - Madeleine Saint-Laurent

March—

- 1—Brigadier General Georges Vanier (Loan)
- 2—Léon Mercier-Gouin (Loan)
- 3—Louis Saint-Laurent (Loan)
- 6—Jean Chauvin (Loan)
- 11—King (Loan)
 - Patenaude (Loan)
- 17—Humphrey Mitchell

In the last list we have 175 names of persons addressing the public on the war. So we carried approximately 412 talks of this type all told.

By Mr. Graydon:

Q. Covering what period?—A. Since the beginning of the war.

Q. Four hundred and twelve talks?—A. Yes, talks from public men and women representing official groups. Quebec listeners have therefore heard some 415 talks on the war by the most prominent men and women. Most of those talks have been translated. In other words, when we give a talk on the French network in English we immediately give a translation in French, so that they get it both ways. Could we have informed the public better than that?

Then we have a series of talks or lectures organized to cover war matters, and that consists of three pages with a total of 660 broadcasts

TALKS

(MOSTLY SERIES)

1939

La Science pour tous (Science for All)

Louis Bourgoïn, Cyrias Ouellett, Léon Lortie—September 1939—
June 1940

Sur la scène du monde (On the World Scene)

Louis Francœur—October 1939—May 1940

Florent Lefebvre—May 1940

Pierre de Rochebelle (Rev. W. Morin)—June—November 1940

Le droit international (International Law)

Claude Prévost—October, November, December 1939, January 1940

La guerre devant l'histoire (History and the war)

Jean-Marie Nadeau—November-December, 1939, January, 1940.

Etudes sur nos trois armées (A study of our fighting forces)—November-December, 1939, January, 1940.

Propos en l'air (Talking through the air)

Eustache Letellier de Saint-Just—November-December, 1939, January, 1940.

1940

La géographie des pays d'Europe (The Geography of Europe)

Benoît Brouillette—February, 1940.

L'avenir de la civilisation (The Future of Civilization)

Rev. Ducatillon—March and April.

Notre héritage canadien (Our Canadian Heritage)

Edouard Montpetit, Léon Lorrain, Gustave Lanctôt, R. A. Benoit, Armand Circé, Colonel Wilfrid Bovey, Gérard Morisset—April and May.

La Situation scandinave (The Scandinavian Situation)—April.

Les formes de gouvernement britannique, français et canadien (Forms of British, French and Canadian Governments)

Edouard Rinfret—May and June.

La Situation ce Soir (The Situation tonight)

Louis Francœur—June, 1940, June, 1941.

Tous pour la victoire (All for Victory)—June and July.

Adélard Godbout

Maurice Duplessis

Ernest Lapointe

Onésime Gagnon

Raoul Trépanier

Alfred Charpentier

Henri Bois

Gérard Filion

C. P. Beaubien

J. E. Michaud

Eugène L'Heureux

Noël Fauteux

Ernest Lapointe

P. J. A. Cardin

Alfred Charpentier

Claude Jodoin

Anastase Fréchette

A. Bourque

Pierre F. Casgrain

Arthur Sauvé

Bernard Bissonnette

Alphonse Raymond

Mrs. L. Taché-Paquet

Mrs. Pierre F. Casgrain

Victor Doré

Adélard Chartrand

Valmore Gratton

Roger Ouimet

La Revue des Revues—June.

Let's Face the Facts—August, September, November, December.

Colonel Henry Breckinridge

Mackenzie King

Hendrick van Loon

Madeleine Carroll

Adélard Godbout

W. Phillips

Mrs. Pierre F. Casgrain

L'actualité scientifique (Today in Science)

Louis Bourgoin, Cap. Lavoisier, Gilles Sarault—September, 1940, March, 1941.

Témoignages (A testimony)

Paul Péladeau—October.

Les devoirs de l'heure (Duties of the Hour)

Olivier Maurault, Edouard Montpetit, Esdras Minville, Elie Beauregard, Francis Fauteux—October and November.

Une fédération des démocraties (A Federation of Democracies)

Jean-Charles Harvey—October.

L'expansion japonaise en Extrême-Orient (Japanese expansion in the Far East)

Paul Watel—October.

Diététique en temps de guerre (Wartime diets)

Medical Association of Canada—October, November, December.

O Canada—November and December.

Philippe Panneton

Louis Francœur

Jean Chauvin

Olivier Maurault

Gustave Lanctôt

Robert de Roquebrune

Hector Perrier

Victor Doré

Quelques aspects de la vie au camp (Daily life at the training centre)—November and December.

La France Libre (Free France)

Miss Elisabeth de Miribel—December 1940 and February 1941.

1941

La géographie et la guerre (Geography and the war)

Benoît Brouillette—January.

We Are Not Alone—January and February.

Les forces de l'empire britannique (The Forces of the British Empire)

Edouard Rinfret—February, March and April.

La Chine, les Indes néerlandaises et la Libye (China, Netherlands East Indies and Libya)

Claude Eylan—March and July.

Tools of War—March and April.

La défense de l'Amérique (Defence of America)

André Shéradame—April and May.

Le journalisme et la guerre (War and the Newspaperman)

Jean Langlois—April.

La guerre et la production littéraire (War and literary production)

Roger Duhamel—May and August.

Les gloires de la marine (Glories of the Navy)

Pierre Daviault—June-July-August.

La guerre et nous (War and Us)—June

Eustache Letellier de Saint-Just, Jean-Louis Gagnon, Raymond Tanghe, François Hone.

L'artisanat et l'après-guerre (Post-war small industry)

Jean-Marie Gauvreau—July.

Rescapé de France (A survivor of France)

La persécution des catholiques en Europe (Persecution of the Catholics in Europe).

Le Chancelier Schuschnigg (Chancellor Schuschnigg)

Richard Redler—August.

1942

Pour plus ample information (For Further Information)—April.

By Mr. Ross (St. Paul):

Q. Who decides who is to do the talking in these 412 cases?—A. Well, it usually comes to me in the final analysis. Our staff submits the plans or makes suggestions.

Q. You pick the speakers, do you not?—A. I pick the speakers or approve those selected by our staff. Then lately we have started this new series prepared by the Bureau of Information. That goes on twice a week: "Pour plus ample information".

Then we have actuality broadcasts coming from certain points such as when a ship is launched at Vickers or Sorel. That list consists of two pages, forty actuality broadcasts.

ACTUALITY BROADCASTS

1939—

September—

4—Interviews with the survivors of the torpedoed steamship *Athenia*.

December—

20—Disembarkation in Britain of our first expeditionary corps.

1940—

January—

28—Inauguration of the Hull Arsenal.

April—

17—Changing of the guard, Buckingham Palace, London.

May—

25—Interviews with Canadian troops on leave in London.

July—

29—Vickers, Montreal.

August—

10—Daily life of a French Canadian Regiment overseas

September—

18—Daily life at a COTC camp

November—

5—Broadcast from Hyde Park by Louis Francœur on the night of President Roosevelt's re-election

1941

February—

9—Solemn Mass for Victory at Notre-Dame Church, in Montreal, with Cardinal Villeneuve, the late Ernest Lapointe and hundreds of Church, State and Military authorities. Program rebroadcast by NBC and BBC. Recordings for CBK (Watrous)

24—Verbal description of a military parade in Montreal

March—

3—Inauguration of an aircraft school at Cartierville. Speeches by Premier Godbout and Minister Drouin

April—

22—Valcartier

April, May and June—

A series of actuality talks on CBC work-shops

May—

22—First Canadian-made tank, at CPR Angus Shops, in Montreal. Speech by Mr. Howe

June—

12—The Victory Torch arrived in Montreal. Exchange of greetings between the Mayors of Hull, England, and Hull, Quebec

15—Military Mass on Fletcher's Field, Montreal

18—Trooping the Colours, in Montreal. Col. J. L. Ralston

July—

- 1—First Canadian-made field gun, at Sorel. Speeches by Premier King, Ernest Lapointe, P. J. A. Cardin and C. D. Howe
- 2—Trooping the Colours in London. His Majesty the King
- 29—Exchange of greetings between the Lord Mayor of London and Mayor Raynault of Montreal, under the auspices of the Queen's Air Raid Fund

August—

- 1—Completion of the Montreal-Portland pipeline at Highwater (Vermont). Speech by Mr. Howe

September—

- 13—Anniversary of the Battle of Courcellette. Speeches by Ernest Lapointe, Major General Tremblay and Henry Torres, of the Paris Bar
- 14—Military and religious Service conducted by Mgr. Alexandre Vachon, Archbishop of Ottawa

October—

- 9—First merchantmen launched at Vickers. Speeches by C. D. Howe and Edouard Labelle
- 27—Launching of six corvettes and two mine-sweepers at Sorel

November—

- 6—Launching of a freighter at Lauzon, Quebec
- 8—Inauguration of two RCAF schools at Loretteville, Quebec. Speeches by Cardinal Villeneuve and Major C. G. Power
- 9—Arrival of a corvette in the harbour of Montreal. (Victoria Pier). Speeches by Navy Minister Angus Macdonald and Mayor Raynault

December—

- 29—Arrival of Mr. Churchill in Ottawa

1939 and 1940

Actuality broadcasts from the various military training centres of the Province of Quebec: Farnham, Sherbrooke, Joliette, Valleyfield, Saint-Jérôme, etc. (recordings)

For this we have a special staff, with a mobile unit, that is on the spot when the event is taking place, to give a description of the event either directly or through recordings.

Then we have special dramas designed for the war. Of these there have been some 140 actual broadcasts of dramas.

DRAMA

1940—

January—

- 2—1939 Cavalcade
- 13—Scènes de Cantine (At the Canteen)
- 20—Scènes de Cantine (At the Canteen)
- 27—Scènes de Cantine (At the Canteen)

February—

- 3—Scènes de Cantine (At the Canteen)
- 10—Scènes de Cantine (At the Canteen)
- 17—Scènes de Cantine (At the Canteen)
- 24—Scènes de Cantine (At the Canteen)

March—

- 2—Scènes de Cantine (At the Canteen)
- 6—Scènes de Cantine (At the Canteen)
- 9—Scènes de Cantine (At the Canteen)
- 16—Scènes de Cantine (At the Canteen)

June—

- 27—Le Sergent Deslaurier (Sargent Deslauriers)
(twice a week till Aug. 29, 1940)

July—

- 1—A History of Confederation
3—To the Glory of the Navy
14—In the Honour of France
21—Recollections of a student in Paris (André Dagenais)
22—Rappel
(twice a week till Nov. 8, 1940)

September—

- 4—The Labour Road to Victory
25—60th anniversary of "O Canada"

October—

- 6—Back from London (Gérard Arthur)

November—

- 3—To our glorious dead
6—Radio-engineering in Canada (Dr. A. Frigon)
20—Souvenirs of Occupied France (Rev. R. Llewellyn)

1941—

June—

- 15—The March of Time
(every Sunday till Nov. 16, 1941)

July—

- 1—Eux et nous (They and Us)
3—Eux et nous (They and Us)
8—Eux et nous (They and Us)
10—Eux et nous (They and Us)
15—Eux et nous (They and Us)
17—Eux et nous (They and Us)
24—Eux et nous (They and Us)
29—Eux et nous (They and Us)
31—Eux et nous (They and Us)

August—

- 5—Eux et nous (They and Us)
7—Eux et nous (They and Us)
12—Eux et nous (They and Us)
14—Eux et nous (They and Us)
21—Eux et nous (They and Us)
26—Eux et nous (They and Us)
27—Eux et nous (They and Us)

September—

- 2—Eux et nous (They and Us)
4—Eux et nous (They and Us)
9—Eux et nous (They and Us)
16—Eux et nous (They and Us)
18—Eux et nous (They and Us)
23—Eux et nous (They and Us)
25—Eux et nous (They and Us)
15—Anniversary of Courcelette
16—Our Defence
17—The Nazi world

October—

- 2—They and Us
- 7—They and Us
- 9—They and Us
- 14—They and Us
- 16—They and Us
- 21—They and Us
- 23—They and Us
- 28—They and Us
- 30—They and Us
- 29—An Answer to Hitler

1942—

March—

Monsier Balthazar

As I said the other day, questions of public importance are discussed from time to time.

We have other dramas designed specially to encourage people to buy war savings certificates or bonds.

DRAMA

Numerous were the live-talent broadcasts produced in connection with war-loan and war-savings campaigns. The most outstanding of them were the two series entitled: "Le Victoire par l'épargne" (Victory through savings), the first of which was broadcast in December, 1940, and the second in June, 1941.

Two of these broadcasts originated in Hollywood and a number of French and American stage, screen and radio artists took part in them.

Other broadcasts in this line were:—

- Le bouclier d'argent
- La légion d'argent
- La vie qui passe.

Then we had reconsecration week when ten people addressed the public within a week.

MISCELLANEOUS

In connection with the National Reconsecration week (September 10-17, 1941), the French network produced a series of talks given in the following order:—

- 10—Ernest Lapointe
- 11—Wilfrid Gagnon
- 12—Georges Bouchard
- 13—Alfred Charpentier
- Léon Trépanier
- 14—J. L. Ralston
- Angus Macdonald
- Military Mass on Parliament Hill
- 15—Pierre F. Casgrain
- 16—J. T. Thorson
- 17—Marcel Dugas
- Prime Minister Mackenzie King.

Notwithstanding our serious handicap, we have succeeded in creating in Quebec truly Canadian broadcasting.

I wonder whether anyone could have done much better than that to educate our public on the war. I will leave to you to pass judgment on those who have criticized us.

By Mr. Graydon:

Q. I did not quite grasp the significance of that last statement of yours.

—A. What I mean is, the effort of the Quebec region producing staff has succeeded in creating an exclusively Canadian type, not a copy of other nations' types of programs. These programs are truly built, written and produced to meet the taste of Canadians. There is no way of trying to copy somebody else, because what is done in America is not always suitable for French Canadians.

Q. Is that different from the policy followed in the other parts of Canada when you draw that distinction?—A. Well, I think the other parts of Canada are more willing or are more desirous of having English programs, some of them designed with an American background, an American type of program. For instance, take variety shows on the national network. They have the same framework as the American shows, which is the proper thing to do.

By the Chairman:

Q. The idea is you have something to copy in the English and you have not got it to copy in the French?—A. I said before we had trouble getting the proper help to produce and write programs; notwithstanding that we have succeeded in creating programs, not only adapting programs to our own region.

By Mr. Veniot:

Q. May I draw the attention of the Committee to the fact that if before the war the Canadian Radio Broadcasting had attempted to adapt the program such as existed in France for French Canada it would not have been suitable at all. I think that is the point which Dr. Frigon wishes to give out with regard to French-speaking people in Canada; a program which would be adapted and acceptable to the people in France would not be acceptable to French Canadians in French Canada.—A. Take a program such as "un homme et son péche," which is probably one of our best popular programs. That would not go down anywhere else; it is typically Quebec from a literary point of view, from an historical background and from the point of view of presentation to the public. The same thing with regard to "je ne souviens". That would not fit anywhere else. On the other hand, if we tried to have in Quebec, say a copy of program such as "Amos and Andy" it would not get anywhere; it is not the type of humour the people want there. They do not like it. The same thing would apply if you tried to send out to the English population a program such as "le sergent Deslauriers" it would not suit anywhere else; they would not like it. So in Quebec we had to create ideas to meet the tastes of our listeners.

By Mr. Graydon:

Q. Is there a big listening audience in French Canada for programs such as Jack Benny and the Charlie McCarthy programs?—A. There are quite a number of listeners in Montreal and among those who deal with English Canadians principally; but the public at large does not appreciate these things; it is not their type of humour. It is like if you put on the French network the typical English music-hall type of program. That would not get anywhere. What I try to bring out is the fact that in Quebec we have to build from scratch, so to speak.

By Mr. Coldwell:

Q. Before the fall of France were there any exchange programs with France at all?—A. I cannot recall any now.

Q. I am not saying it is desirable, I am just asking the question.—A. No; we did try to have programs from Paris, but nothing came of it.

Q. What about the programs now put out by London to France?—A. As I said the other day, there are some recordings of those programs in Ottawa and we are trying to find some time to listen to them and put them on the network.

Q. Have you listened to them yourself to see if they are all right?—A. I have listened to one only and the one I listened to was not, I thought, appropriate because it was a repetition of the BBC French news with an interpolated short talk by a Frenchman. We also get the BBC French news; but if they have programs here, and I am told they have, of French speeches which will be desirable for French Canada, we shall use them. They are sent to the Free French group here by the BBC for use in Canada, I heard about it a month ago, as a matter of fact.

Q. What about these young Frenchmen who have earned some distinction in the air force overseas; are they being used on the French network?—A. Yes, they have been. Last Tuesday, I think it was; in Montreal we had a big demonstration on Dominion Square in honour of those two young chaps who just came back, and it was broadcast. We never miss a chance to take anything of that sort whenever it is possible. I think our war effort on the French network—I should not like to hurt my friends of the national network—is at least the equal of the national network, and that has been very good.

By Mr. Graydon:

Q. I did not quite catch what you said.—A. I said that the war effort of the French network has been at least the equal of that of the national network and the effort of the national network has been very good. By that I mean we have not lagged behind, we have been right up to the mark.

Q. Dr. Frigon, you say that we have on the French network not lagged behind those on the national network; you mean the network covering the other parts of Canada?—A. Yes. For instance, just this one simple fact, when we put on the air some 415 public men from all over the world to talk to French Canada in English and in French about the war, well, if these people cannot do anything about the war what can we do about it. If Mr. Churchill or Mr. King or some other important statesman is on the air, talking about the war, not only do we carry them in English, but we carry them in French. That in itself is a war effort of some importance, and that is just one item of the whole list I have given you.

Q. The point I was trying to get some elucidation on is why you draw the distinction between the French network and the national network. Are these two networks, so far as the operations of the CBC are concerned, treated, as separate entities?—A. As I said, the French network group is regarded as a separate entity within the program division. In other words, the regions such as British Columbia, the Prairies, Ontario, the Maritimes and English Quebec are the basis of the national network of the CBC. We have a group dealing with the French population. That group, in Quebec, has done as much as least as the other group, and I am not saying that to criticize the English section of our production staff.

By Mr. Tripp:

Q. Is there growing up within the Canadian Broadcasting Corporation two definitions of the term "Canadian," do you suggest that?—A. No. If you want to reach the French Canadians with these war programs, if you want to speak to them, you must have them as listeners; and to have them as listeners you must give them the programs they like to listen to. Therefore we must have a background of sustaining programs which are designed to meet the tastes of the French population so that we will have listeners, who will be there, when we want to speak to them on anything; otherwise you will have nobody listening to you.

Q. I think that is all right as long as we do not get into the position of getting two different definitions of what a Canadian is.—A. Not at all. I am strictly speaking on the matter of program taste. I am saying that we tell something to one part and something else to another part; I am simply speaking of offering programs which will be listened to with satisfaction and pleasure. When we have this framework, then the policy, so far as national policy is concerned, is the same everywhere. I defy anybody to claim to the contrary. There is no difference between the two.

By Mr. Slaght:

Q. May I have a word with you on the shortwave situation? I may have overlooked it, but I do not find in the annual report a reference to Canada's constructing a shortwave station. May I ask whether that has been given any special consideration by your board recently?—A. You mean an internationally important high power station?

Q. Yes.—A. It has come up frequently in discussion, but the board has taken the stand that we have not got the money to do it ourselves and further that it is questionable whether we can use listeners' fees, paid for CBC programs, and use them to pay for international broadcasting to advertise and publicize Canada.

Q. Have any representations been made to the government or to the treasury by your board in that connection?—A. I think I would like to leave that to Major Murray; that is very much his domain.

Q. May I ask you this: Have we lost any further shortwave frequencies which were reserved to us at Berne in 1938 than we had lost in 1939? I call your attention to what I am basing my question on. In Mr. Brockington's report distributed this morning, on pages 27 and 28 of that report, which was issued in March 1939, three years ago, he strongly recommended a national short-wave station for Canada and gave his grounds, which I am not going to give now. They are there for the committee to study. He pointed out we had already, by not availing ourselves of the world bands reserved to us, lost two or three to foreign countries. I am wondering whether you know if we have lost any more since 1939 because we had not occupied the air.—A. That again I wish you would ask the representative of the Department of Transport, Mr. Rush, who may be called to discuss this matter of frequencies. This is the responsibility of the Minister of Munitions and Supplies at the present moment not of the CBC. He would know more about it than we would.

Q. Is he to come before the committee?—A. He is the Director of the Radio Branch of the Department of Transport.

Q. The reason I call your attention to it and suggest that it should have been given immediate attention is that Mr. Brockington reported that we are faced with the alternative of having to take action within the near future or be shut out of the field. It would therefore seem that Canada should establish the station as soon as possible. And he makes it quite apparent that while we have had several bands and domains reserved to us by the world body that dealt with it we have lost three of them and he warns us we will be shut out entirely if we do not establish the station. He gives trade reasons, international reasons, good-will reasons, all in detail here. I am wondering whether the Board is alert to the fact that we will lose that valuable asset if we do not act. As I understand it, \$500,000 is all that is required to erect the station. Am I right about the figure?—A. Well, it will probably take a little more than that to-day to do a good job. But as I said before, this is decidedly not, in my view, the responsibility of the board. The board has not that power. The Radio Act does not cover, I think, the possibility of the CBC going into international broadcasting with a high-power shortwave station.

Q. Technically perhaps that is so, but is not that a matter on which the government might expect help from the board because you are so close to the

whole picture of world broadcasting? I suggest to you, I do not know whether you will agree with me or not, that your board ought to make a special study without delay and make the appropriate recommendations either to this committee. . . —A. That has been done. We have given all the information and the facts that we knew about such a project. It has been discussed.

By Mr. Coldwell:

Q. Given to the government?—A. To a Committee of the Senate.

Q. Has any recommendation been made to the government?—A. This problem is a problem of policy and I think it should be discussed with Major Murray. I think I know the story, but on the other hand he is the man who is responsible for that.

The CHAIRMAN: It was recommended in the 1939 report of the committee to the government.

Mr. SLAGHT: Nothing has been done.

The CHAIRMAN: The report was not acted upon.

By Mr. Coldwell:

Q. May I ask you this question, which is a technical question? Are there any of those transmitters available at the present time?—A. Oh no; it would take a long time to get one.

Q. Let me put it this way: I have been told that during the winter there was one—I think it was in the hands, I am not sure, of a company known as the Victor Company—and that the CBC actually had some sort of an option on it for a while; that this was available and was being held by the Victor Company?—A. This question has been discussed ever since the beginning, on many occasions, within the board and with government officials, with the minister. We prepared reports. At one time we were warned by one of the companies that they had a number of sets in production and if we wanted one we could have it. These were sold and there was one left. That was sold and another series was started. These were sold one by one.

Q. Is not there one left now?—A. I hardly think so.

Q. I understood when the Free French bought theirs there was still one left.—A. The Free French ordered one early last summer; it was to be shipped early in December and was to be operating on the 1st of March this year. This set is still under construction in the States.

Q. Is there a possibility of getting a set if one were ordered?—A. I do not know. The chances are not good. There are options on them, they are sold, others are dropped. It is a matter of deciding to-day what you want to have. If you wait until to-morrow it is a different picture altogether.

Q. Has the CBC had an option on a transmitter during the last six months of the year?—A. We did not have an option in the true sense of the word, but we had a promise that some sets would not be sold without our knowing about it.

Q. Have they been sold?—A. Others have gone.

Q. It has gone?—A. Others have gone.

Q. It has gone?—A. Yes; but this is a big question. As you know, there are changes from day to day. There might be three sets available to-day and none to-morrow. It might take two years to have a set built and might take six months. It all depends on the production and requirements for the war. The American navy or the American army may come in to-day and take them all.

By Mr. Ross:

Q. The reason we have not a shortwave broadcasting station in this country is that it is a matter of government policy. Is not that true?—A. It is certainly not a matter of CBC policy.

Mr. GRAYDON: If it is not a matter of CBC policy there is only one field left, is not there?

By Mr. Tripp:

Q. Might it not be a matter of finances?—A. It is a matter of finances mostly. Some people are afraid of the amount involved to start with. I am not qualified to discuss that here because I do not know. I only came in at different times to discuss the technical side and the cost of building and operating the station. What was actually done with the information supplied I do not know.

By Mr. Coldwell:

Q. You made an estimate of the cost of building?—A. Yes.

Q. What was your estimate?—A. The last estimate was \$800,000. That was for two transmitters and a set of aerials.

Q. What power would that be?—A. That would be two 50 kw. with three aerials which would permit, of course, transmission in six directions, three main directions and then the reverse directions.

By Mrs. Casselman:

Q. If I remember correctly, Mr. Thorson said in the house it would cost \$800,000 to construct and half a million yearly to operate.—A. Yes; of course, there is practically no limit to what it would cost to operate. It all depends on what you put on the air. If you had a symphony orchestra on the air every day it would cost more than \$500,000. If it is used only occasionally it costs less. Programs are entirely a matter of policy. If you have the station, it could be operated at \$500,000 a year minimum.

By Mr. Coldwell:

Q. Minimum?—A. Yes, you could do it.

By the Chairman:

Q. Following the report of the 1939 Radio Committee was the proposal made directly to the government that authority be given to establish a short-wave station?—A. I do not think it ever took that form. We did not ask for authority; we simply gave the information necessary.

Q. By request?—A. On our own initiative at times.

Q. You remember that it was distinctly recommended by that committee of 1939 that that policy should be followed. What I want to find out is in view of the recommendations did the corporation follow that up by urging that a shortwave station be built, or was it just dropped as a recommendation?—A. Oh, it was not dropped, but I cannot tell you exactly now in what form it was followed through. There was actually a resolution of the board requesting that it be done; what was done between the different departments I do not know; but I think there was a resolution of the board.

Mr. COLDWELL: If that was all that was done I am just wondering what use a parliamentary committee is.

The CHAIRMAN: Exactly.

Mr. COLDWELL: And how much attention is paid to its recommendations.

The WITNESS: I should like to sum up the whole question in this way: The CBC and the staff of the CBC have always been active in preparing documents, making estimates, and making them available to everyone to see. What has been the actual discussion about that I do not know. I think Major Murray will know more about it than I do.

By Mr. Graydon:

Q. In all fairness to the CBC may I say that after all a parliamentary committee report is not a report which recommends something to the CBC, as I understand it, with respect to a matter, but rather it is a recommendation to the government asking them to adopt the policy of establishing a shortwave station in Canada. I quite agree with Dr. Frigon that in so far as the CBC is concerned they fulfilled their functions of getting an estimate of the original cost of the construction and getting an estimate of the cost of operation on a minimum basis. Frankly, I cannot see how they would be responsible for the establishing of the station. At least, the initial responsibility would not lie upon the CBC; but rather the CBC having done that naturally awaited government action in accordance with the conditions of the parliamentary report. I say it is very difficult to understand in the face of that report why the government has not acted and changed its policy in accordance with the report, having in mind that since that committee sat war broke out which emphasized and exaggerated the necessity of a shortwave station in Canada. I think when the assessment of the responsibility is being made the primary responsibility, I think, must lie on the shoulders of the government with respect to it rather than on the shoulders of the CBC.

Mrs. CASSELMAN: Would not the fact that the war did break out be a good deal of the reason for the delay?

Mr. COLDWELL: That would put emphasis on the necessity of having it built.

Mr. ROSS: Just the opposite.

Mrs. CASSELMAN: It is just a matter of the way you look at it, whether it was advisable or not at the time.

By Mr. Graydon:

Q. Is it correct to say with the powers that the CBC have they would have to go to the government for authorization before a shortwave station could be erected?—A. Oh, yes.

Q. The whole question of finance comes in as well as policy in connection with that because if a shortwave station were to be constructed there would necessarily have to be a loan from the government owing to the fact that you have not enough of a surplus in your account, as I understand it, to undertake such an advanced program of expenditure, as a shortwave station would necessitate?—A. We certainly would require authorization from the government to spend any money on such a project, and furthermore we do not believe that we are able to use our own money for that purpose.

Q. Dr. Frigon, the committee sat in the parliamentary session of 1939 prior to the war. How long after the sittings of the parliamentary committee did the CBC commence working on the question of an estimate for the shortwave station?—A. We had worked before the committee. This question of a shortwave station has been before the CBC since the beginning, since early in 1937. We have kept our figures up to date, modified them, added to them, up to the point where now we say, "if you want to do a job which is worth while you will have to spend about \$800,000 capital and to have at least \$500,000 per year to run your station".

Q. After the sittings of the parliamentary committee of 1939 was there any conference held between the appropriate cabinet minister or any member of the government and the general management of the CBC, of which you are a part?—A. We did meet last year with Mr. Thorson on the question; reports were prepared and submitted to him.

Q. Was that the first time you had a conference with the government after the parliamentary committee of 1939?—A. It would depend on what you call a conference. We have discussed the matter with ministers, both Mr. Howe and

Mr. Thorson, at different times. An actual conference, people being called at the meeting to discuss the matter is a different proposition. I remember one, that is one last year.

Q. At this conference did the management of CBC express approval of the idea as set out by the parliamentary committee, that is, the setting up of a shortwave station?—A. Not only the management did that, but the corporation actually approved of the project a long time ago.

Q. Approved of the project?—A. A shortwave high-power station.

Q. So far as the CBC is concerned then there were no obstacles placed in the way of building a shortwave station in any way, shape or form?—A. No.

Q. It was a straight question of government policy and a question of government finance?—A. I suppose that is what it is.

By Mr. Coldwell:

Q. I have here the report from which Mr. Slaght quoted a few moments ago, the evidence given by Mr. Brockington, when he was chairman of the Board of Governors, on March 2, 1939, before the recommendation was made.

Mr. ISNOR: That was given before the committee?

Mr. COLDWELL: Before the committee. The committee subsequently recommended the establishment of the shortwave station. I notice he says:—

During the past year we have been obliged seriously to consider again the position with regard to short-wave. It is felt that developments in this field should be controlled in the public interest.

Then he goes on to say:—

With respect to short-wave, the corporation has laid down the policy of recommending no new licences pending clarification of its own plans for a short-wave system. The corporation's technical plan envisages the construction of a high-power short-wave system which would serve to facilitate the exchange of programs with Great Britain, France and other countries and accordingly act as a powerful medium of national advertisement. I may say that Canada, of all the great trading countries in the world, is the one country that is most seriously behind in short-wave development. From the purely commercial point of view, short-wave stations would give us a most excellent opportunity of advertising the sale of Canadian goods. I have recently been a member of the so-called Bracken Wheat Committee which is examining the possibility of regaining lost markets. At every meeting which I have attended somebody has suggested the possibility of the use of Canadian short-wave international radio for pushing the sale of Canadian wheat and flour in the advancement of the legitimate and paramount trade interests of this country.

Then he goes on to say:—

It will be recalled that the committee of last year adopted our recommendation. In recent months the corporation has emphasized to the government the difficulties under which it labours in the absence of such an undertaking. Those difficulties occur in the matter of program exchange; they have arisen with peculiar emphasis in connection with the King's visit.

You may remember also that when I discussed this matter last year I emphasized, first of all, the possibility of international good-will afforded to a country whose national fabric is drawn from so many strands, and where one of the greatest experiments of reconciliation between nations is taking place under our very eyes.

Almost prophetic.

I felt, too, and I think I emphasized, that the great strength of Canadian civilization, namely, the equal partnership of two great races, gave us a unique opportunity to interpret not only Anglo-Saxon civilization to the world but also Latin civilization.

Then he goes on:—

We have taken such precautions as are within our powers to safeguard Canada's right to short-wave channels. Through the Department of Transport it reserved with the Union Internationale de Radiodiffusion at Berne, Switzerland, suitable short-wave frequencies in the 6, 9, 11, 15, 17, 21 and 25 megacycle bands. Although these reservations stand at the present time in the name of Canada, two or three frequencies have been taken over by other countries for their own use. It is becoming increasingly clear that the only way in which Canada can ensure for herself frequencies on which to operate a short-wave station is actually to occupy the frequencies by operating a high-power transmitter on them. Canada is not concerned, obviously, in issuing propaganda to the rest of the world. But we have a legitimate concern in preserving a proper, dignified, national place for ourselves in the field of short-wave broadcasting. With the increasing use of short-wave by all nations, we face the alternative of having to take action within the near future or be shut out of the field. It would seem, therefore, that Canada should establish a station as soon as possible.

For the purposes of record, I will file with the clerk of the committee, if I may, a list of the short-wave frequencies registered at Berne for the CBC. I file that and call your attention to the melancholy note at the bottom:

Short-wave frequencies registered at Berne for CBC:—6060 Kcs., 6160 Kcs., 9630 Kcs., 11705 Kcs., 11810 Kcs., 15190 Kcs., 17810 Kcs., 21710 Kcs., 25620 Kcs.

NOTE.—15190 now being used by O E R 1 50 Kw., a new German station in Austria.

Then he concludes with these significant words:—

That is the handwriting on the wall.

Q. Now, at the Havana conference short-wave channels, I think, were allotted to various stations, were they not?—A. That was at the Cairo conference.

Q. How many have been reserved for Canada?—A. Six have been reserved for Canada. I think it is safe to say all these frequencies are now used.

Q. Are there none left?—A. How the use of these frequencies by somebody else would interfere with broadcasting in Canada is quite a problem. At one time these frequencies were free, now somebody is operating a station on them. This might interfere with reception at certain points, but might not at other points; but the air or the ether is not free of interference now on these frequencies.

Q. So that by failing to take up one or the other of those frequencies we have lost them to the country?—A. Whether you could say that, I do not know.

Q. If we had established a short-wave high-power station could we still operate on these bands?—A. If we had established a station on a frequency before, it would not prevent others from using it; but it would mean that if we had a station there, it would have discouraged its use by others.

By Mr. Graydon:

Q. We are in the position then, as far as shortwave bands are concerned in Canada, of locking the door after the horse is stolen.—A. Well, I will give you an example. We are using a frequency now to broadcast westward, as I said the other day. That frequency is technically ours according to international agreement, nevertheless we find that somebody else is operating on the same frequency and the result is that in the western provinces there is a heterodyne which gives a whistle and makes reception difficult at certain times of the day. Shortwave is a very intricate problem; as we stand now I do not know how long the other fellow will keep operating on that frequency and stand our interference.

Q. Dr. Frigon, as has been read here from the statement made by Mr. Brockington before the committee of 1939, there were first of all frequencies registered at Berne which were available at that time subject to the new German station of 15190 which had been taken for their broadcasting from Austria. How many of these frequencies have been taken by any other nations since the 1939 report was made?—A. "Taken" is not the right expression there; it is used. You may have a 5 kilowatt station in Australia on one of these frequencies which may not create trouble in Canada; but you may have a 100 kilowatt station in Russia which would make it impossible to use a station on the same frequency here. In other words, these frequencies are registered at Berne according to international agreement and they are reserved for countries. When these countries use the frequencies at the proper time, then they are staying on the frequencies so to speak; and it is more difficult for others to come in and stand the interference from that already existing station.

Q. All right.—A. If we had done that, and if another fellow came in disregarding international regulations and put his station on the frequency, then we would have to stand his interference; but in doing that we are also interfering with his station and the fight is on.

Q. In other words if we come in late we have to play second fiddle to the nation that has the high-power station ahead of us.

M. COLDWELL: If we come on the old frequency.

Mrs. CASSELMAN: If we are strong enough we do not play second fiddle, we take his from him.

Mr. GRAYDON: I think that is a very important point that Mrs. Casselman has raised.

By Mr. Graydon:

Q. If another nation takes one of these frequencies is it possible for us to have a higher powered station, a shortwave station to come in and operate without serious interference from the other station which has taken the frequency?—A. I would not say without serious interference; I would say if your power is higher than theirs they might get sick of the interference quicker than you will, and they will get off. If you have a station operating here and you try to cover South America with your station and you are interfered with by a station operating on the same frequency, say, in Italy, that Italian station disturbs the reception of your station in South America, but you also disturb the reception of their station somewhere else. The question is who is going to get off first.

By Mr. Coldwell:

Q. It would be a matter of an endurance test.—A. Very much so.

By Mr. Graydon:

Q. We are in the position where we are not even in the endurance test; we cannot disturb anybody. That is one thing they do not need to worry

about at all; we are not in a position to disturb anybody and for a good long time to come, apparently.—A. At the Cairo conference—

By Mr. Coldwell:

Q. What year?—A. 1938; there was a great fight between the users of shortwave or high frequencies. There were about three or four times more users than there were frequencies available and then the fight was on for two months and everybody left the conference dissatisfied.

By Mr. Graydon:

Q. What date was that?—A. February and March, 1938. Then everybody went home. Some of them lived up to the agreement that was reached there; others did not. Now, here we are with the shortwave bands overcrowded with all sorts of stations all over the world. Who were there first? The well established stations such as the BBC have a chance to give service in Canada, for instance, but unfortunately we know—we have no absolute proof—that some of the shortwave transmissions to Canada have been what is called “jammed,” by European stations; in other words, another station was set to operate on the same frequency in order that we would have difficulty, or that it would be difficult in France to listen to these broadcasts.

By Mr. Coldwell:

Q. That has not happened often, has it?—A. It has happened, but it has died out very much now.

Q. I think it is one of the significant things that the enemy nations have not attempted to do very much of that sort of thing; they have kept religiously to their powerful bands.—A. Because it is a game that can be played by two.

Q. Therefore if we had a shortwave station before the war the possibilities are we would have a band now; the difficulty is getting one.

Mrs. CASSELMAN: Was not that the big question in Spain, that the air waves were always interfered with, the different broadcasts that were put out by the different parties in Spain?

Mr. GRAYDON: We have certainly been very accommodating as a nation so far as congestion of radio traffic in the world is concerned. We have not congested the air-waves so far as the shortwave is concerned at any time. I think, Mr. Chairman, this is an extremely serious matter from our national standpoint and I say that with every emphasis. This is a very serious matter in so far as our position with respect to the wartime activities are concerned, and I am only hopeful that we have not let the thing go too far so that it cannot be rectified. That is the serious point, as I see the situation in Canada without a shortwave station and without any reasonable possibilities of one in the near future in the midst of not only a shooting war but a propaganda war as well in which Canada certainly is in a favourable position on the North American continent, the only part of the British Empire here. It does seem to me it is a matter of extreme seriousness so far as our world position is concerned.

By Mrs. Casselman:

Q. The Free French are building a shortwave station now. Did they just take one of these frequencies? I am asking that question just as a matter of information.—A. That is a point I want to bring out. When a nation wants to operate a shortwave station, they are supposed to register their station at the International Bureau in Berne. They can only register officially on available frequencies. At the present time they just grab one and use it. I doubt very much if any of those stations operating on Canada's frequencies have been legally registered at Berne. Mr. Rush will know more about that than I do. They are just being used, that is all.

By Mr. Graydon:

Q. Dr. Frigon, trying to make the best of a bad job, what now can be done with respect to retrieving our position so far as our shortwave position in the world is concerned? How could it be done? I am assuming, for instance, that the government is prepared at the moment to adopt the policy of putting up a shortwave broadcasting station in Canada. How long would it take to equip and construct a station and put it in operation providing the money is furnished?—A. Well, it is a very difficult question to answer, but I would say it would require a minimum of fifteen months.

Q. Fifteen months?—A. If the transmitter could be obtained within that time, which is another problem.

Q. What is your opinion as to the possibilities of getting a transmitter at all at this late date?—A. I cannot tell you, sir. As I said before, it is a matter of meeting the companies who build these transmitters to see where they stand, ask them when they can give us delivery. It may be that they have one on hand because an order has been cancelled. They may say we won't start production again for two months. It all depends on the actual state of their manufacturing condition at the time you discuss the problem with them. There are changes going on continually.

By Mr. Coldwell:

Q. You have been offered a transmitter from time to time?—A. Yes; we have been told that some were available; if we want to buy one to let them know.

Q. How many companies manufacture these shortwave transmitters?—A. At the present time there is practically only one company—the Western Electric manufactured some—but at the present time R.C.A. Company is really the one manufacturer of large stations in the States.

Q. Has the corporation been in touch with them recently?—A. We are in touch with them constantly. If anything happens in any field of broadcasting we know, whether shortwave high-power or any other thing. We know; they tell us. Mr. Olive our Chief Engineer is constantly communicating and exchanging figures with them.

Q. They let you know if a transmitter is available?—A. Yes.

By Mr. Graydon:

Q. Have you, Dr. Frigon, or the CBC at any time attempted to get an option on any of those transmitters in view of the possibility of the shortage of supply in the last couple of years?—A. At times we have told the officials of the RCA to let us know before they committed themselves to sell, so that we might have first choice. I do not know that we have had legal options on the equipment; but they knew we might want a transmitter.

Q. How long ago was it since you first spoke to them with respect to that?—A. About two years ago.

By Mr. Coldwell:

Q. What was the last time that you had their word they would not sell one without first of all letting you know?—A. January, 1942.

Q. As recently as that?—A. This thing is always changing; you cannot set a date.

Q. Has that transmitter been sold or is it available?

Mr. OLIVE: I understand it has been sold.

By Mr. Graydon:

Q. Before that transmitter was sold was any effort made to get an option on it at all? After all, I think in an ordinary business transaction, if there is a possibility to use a transmitter which is perhaps the last one available, it seems to me it would be money well spent to have got some kind of an option to hold

it for a short time.—A. There is so much demand to-day an option is simply no good. You have an option and the American army might come in one day and just take it away.

By Mr. Coldwell:

Q. When that notification came to you would it come to you in the form that there was such a transmitter available?—A. Yes.

Q. What was done about it? Did you take it up with the government?—A. Well, we did; whether it was in writing or otherwise, I do not know, but I think we forwarded the information to the government.

Q. To whom, to Mr. Thorson as minister?—A. I think we did at the time, yes.

Q. Then we will have to ask Mr. Thorson what he did about it.

By Mr. Graydon:

Q. Did the Board of Governors give any consideration to this question of a shortwave station since the parliamentary committee of 1939?—A. Oh, yes.

Q. Did you receive any instructions with respect to the construction of a shortwave station, any details in connection with it from the Board of Governors or the financial committee since 1939?—A. Instructions in what way?

Q. As to the decision arrived at by the Board of Governors in connection with a shortwave station. I am thinking more particularly—perhaps I am not putting it very clearly—I am thinking more particularly in view of the recommendations of the parliamentary committee, emphasized by the very clear-cut statement of the chairman at that time, Mr. Brockington, no doubt the question of a shortwave station would be discussed in the normal course of procedure by the various meetings of the Board of Governors and I was wondering if any recommendations or if anything was given to you as assistant general manager by the Board of Governors relating to the question of a shortwave station.—A. Well, I will put it this way: ever since 1939 and before, our engineering division, and to some extent the program division, have been prepared to proceed with any project of this sort that might come up. We were never told, "You build a station," nor were we told actually to start anything; but we were certainly told and we took it as an absolutely essential part of our work to be kept informed and keep our data up to date so that if we were called on at any time we could proceed.

By the Chairman:

Q. Called by whom?—A. Whoever would call.

Q. Yes; did the Board of Governors establish it as a matter of policy that they wished to establish a shortwave station?—A. The Board of Governors have established as a matter of policy that the CBC could not and was not authorized legally to build a high-power shortwave international station.

Q. Did they ask for that legal authority?—A. I cannot recall that there was any specific request, it might be.

Q. Well, then, is it not a fact that the— —A. I do not recall that there was any official request or demand sent to the government for authorization to proceed to build a station with the financial help of the government. Now, if we look through the minutes we may find some resolution to that effect, but I cannot recall anything of the sort now.

Q. Then the responsibility should not be put upon the government with reference to the policy if the operating concern, the CBC, did not strongly direct or attempt to impress on the government the necessity for a shortwave station.—A. Well, I think we will have to look through the minutes to get it.

Q. That is exactly the point. We want to know if there is a minute with reference to it and what that minute is, to see whether or not the responsibility lies with the corporation or with the government as suggested by Mr. Graydon.

Mr. GRAYDON: Now, Mr. Chairman, let us get this matter clear. I think it will be very readily agreed, no matter what the minutes of the Canadian Broadcasting Board of Governors may show, nothing can give them any more power and authority than the Canadian Broadcasting Act confers upon them. They may recommend, true. They might realize the acuteness of the situation with respect to shortwave broadcasting, but when it comes down to the final analysis the recommendation which was much stronger than anything which possibly could have been incorporated in any Board of Governors' decision was the direct instructions or directions contained within the recommendation of the 1939 parliamentary report. If there ever was anything more clearly outlined than that report, plus the statement made by the chairman of the Board of Governors at that time, I should like to see it. Surely nothing more than that was necessary from the standpoint of the government. If the government still needed recommendations and encouragement, if you like, or prodding by the Board of Governors, then we have struck a very, very dangerous impasse so far as government relations with the Board of Governors is concerned. I cannot conceive how the Board of Governors could do more than simply re-emphasize the parliamentary committee's report.

The CHAIRMAN: That is the point. How much did they try to re-emphasize that?

Mr. GRAYDON: I do not think, Mr. Chairman, that the government needed re-emphasis. Surely our government is alive to the dangerous necessities that exist with respect to these shortwave bands. I would not like to hear the minister of the government come to this committee and say they were waiting until the chairman of the Board of Governors gave them some further encouragement to go on with the parliamentary committee's report. I think that surely disposes of the question of the Board of Governors' position. I should like to know, and I think we are entitled to know, what discussions did take place with the Board of Governors with respect to this question. As the Chairman suggests, I think that is important. It goes back at once to the question of the production of the minutes of the Board of Governors. I think the Board of Governors' minutes ought to be produced covering the period that we originally asked for, in order that we may find out whether or not this matter of a shortwave station was discussed.

Mr. COLDWELL: When I look at the facts, I do not think I agree with Mr. Graydon. Of course, I am not a lawyer. Broadcasting is defined in section 2 of the Act in this way:—

(a) "broadcasting" means the dissemination of any form of radio-electric communication, including radiotelegraph, radiotelephone, the wireless transmission of writing, signs, signals, pictures and sounds of all kinds by means of Hertzian waves, intended to be received by the public either directly or through the medium of relay stations.

That is as broad as it could possibly be.

Mr. GRAYDON: That is the Canadian Broadcasting Act, is it?

Mr. COLDWELL: Yes. Then in Section 8 it says:—

(b) establish, subject to the approval of the Governor in Council, such stations as the corporation may from time to time consider necessary to give effect to the provisions of this Act;

(c) equip stations with all such plant, machinery and other effects as may be requisite or convenient to permit of the same effectively receiving and transmitting for broadcasting purposes;

I will not take the time to look it up, but I know there is a section here which gives the corporation power to acquire or to equip any property subject to the approval of the government. This, it seems to me, would infer that if the

corporation considered that it was in the interest of broadcasting to establish a shortwave station, it would be their duty to recommend to the government that they receive permission to acquire the property, to acquire the necessary equipment and to erect it subject to the approval of the government.

The WITNESS: Well, in the same act, on page 7 of the book you have just read from, item 8 at the bottom of the page reads this way:—

The corporation shall carry on a national broadcasting service within the Dominion of Canada and for that purpose may, and so on.

That is the object of the corporation. It does not include broadcasting to Africa.

By Mr. Coldwell:

Q. It all depends upon the definition of that word "within".—A. That is what I maintain.

Q. It may mean that you cannot establish stations outside of Canada but that you can establish stations within Canada.—A. The board has taken this stand, that as we are operating from licence fees paid by listeners in Canada, national broadcasting service means service to the listeners in Canada.

By Mrs. Casselman:

Q. Mr. Chairman, was there any definite statement in the act or anywhere else to say that these radio fees could not be used or must not be used for shortwave stations, or was that a decision of the corporation?—A. We have stations on shortwave which operate in Canada and which are heard outside of Canada. That is an accident or an incident, I should say. But we have no stations which are operated for the purpose of reaching people outside of Canada which is quite different.

Q. No; my point was about fees. Is it definitely stated that they must not be used for that?—A. No. The radio acts says that the object of the corporation is for national broadcasting.

By Mr. Graydon:

Q. Is not the answer to it that you did not have enough fees?—A. Oh, that is another point.

By Mr. Coldwell:

Q. I am inclined to agree that the fees from Canadian licences should not be used to establish and equip a shortwave station. I think if it is going to be an international station, the government should assume responsibility for its operation.—A. In other words, the board has taken the stand, from the financial point of view, that we were quite prepared to operate a station for the government, but it should not be operated with our own revenue.

Q. I think you are right in that.

By Mr. Isnor:

Q. I should like to ask the witness a question, dealing with matters somewhat along the same lines as Mr. Graydon. I would judge, and it is reasonable to suppose from the statement made by Mr. Thorson, that this matter had definitely been discussed on more than one occasion prior to March, 1939. If I remember rightly, you said it had been discussed since that date.—A. Yes.

Q. Mr. Thorson definitely said, on page 115, "Oh, yes. The government has given consideration to the construction of a shortwave station. It has been before the government on a number of occasions." So I think, Mr. Chairman, that is a matter that should definitely be settled, the question as to whether the matter was under discussion on more than one occasion, both by the CBC and the government. May I suggest, as the witness is more or less directly

connected with the finances of the corporation, that it might have been a question of money. I understand the cost in the first instance would be \$800,000 and the maintenance cost would be \$500,000. Therefore this last item of \$500,000 naturally would go into operating expenses. If you had constructed, we will say two years ago or a year ago, such a station, with receipts of last year, with the maintenance cost of \$500,000, instead of having a surplus of \$183,000 you would have had an operating deficit of \$317,000. I think those figures are borne out by your statement. My thought is this. In the consideration of this question, would the financial aspect have entered into your decision to defer action perhaps until you were in a better position?—A. Well, it is decidedly a matter of primary importance that we did not have the finances—we would not have the finances to carry that through.

By Mr. Coldwell:

Q. But your view is that it was not your business, in any event, to provide an international station?—A. That is the view of our board, as I understand it. You are asking me two different sets of questions now—what I know and what the board wants.

By Mr. Isnor:

Q. I am asking you as to whether that was a factor perhaps in your decision not to urge the government to construct this at the present time?—A. Well, yes; decidedly so, in that sense, that we could not proceed, even if it was our business to do so. But I have just said that you have asked me two separate questions, one, as to what has been done in the way of discussion and preparing figures and getting ready to go ahead, and the other as to what the board wants. What the board wants is Mr. Murray's problem to tell you.

Q. I did not ask you that.—A. I do not mean you, but in the general discussion.

Q. Yes.—A. I know what we have done. What the board would like to do or what the board would have done if such and such a thing had happened, I do not know.

Q. Are we not as a nation, and the CBC as a business corporation, in somewhat the same position as a small merchant and a big merchant in our relations with broadcasting throughout the world? I am speaking of international broadcasting. For that reason you might hesitate to go beyond a certain limit.—A. Put it this way: if we did spend money on that, it would impair our service to Canadians. The money we would spend to broadcast to South America would not be spent on Canadian programs.

By Mr. Coldwell:

Q. May I ask this question. Did the British authorities ever suggest that they would be willing to establish a station here or to assist in the establishment of a station?—A. I do not know.

Q. I was going to ask this question, in order to clear the thing up. There must be some correspondence on this matter of a shortwave broadcasting station. Recommendations must have been made and approaches made. Could we have all the correspondence dealing with this matter filed with the committee?—A. Certainly.

By Mr. Graydon:

Q. Dr. Frigon, you have raised a point there which I think is an entirely irrelevant one with respect to the question of starving out the program department on this question of shortwave. I am quite sure that Mr. Brockington, with his broad knowledge of the radio broadcasting set-up in Canada, had no such idea in his mind at all when he made the emphatic statement of the need for a national shortwave station in Canada. I cannot recall any discussion,

and I cannot recall any statements that have ever been made which would indicate in the slightest degree that the construction of a shortwave station in Canada would interfere with the matter of programs and the general expenditure of money in other branches of the Canadian Broadcasting Corporation. My idea, and I think it is one that has some foundation, is that the question of a national shortwave station, as I think you pointed out yourself, and I think very properly—and I do not think you did yourself justice when you brought this other irrelevant point in—is a matter of national and international importance. It is entirely outside the ordinary scope of the ordinary field of Canadian broadcasting as you have envisaged it, and as you have attempted to carry on as assistant general manager. It seems to me that the setting up of a national shortwave station in Canada is one which normally lies within the field, so far as expenditure and policy are concerned, with the Dominion Government itself. It is a matter of national policy. It is not a question of CBC policy. That being the case, I should think it would be only natural that the money provided for a shortwave station would be provided, certainly perhaps through the channels of the CBC who are perhaps in the best position to operate it and run it by the Government; certainly the money would be provided in the course of events from the Dominion Government for that purpose, and the operation of it. It would not, and could not by any stretch of the imagination, as I see it, be interpreted that those expenditures should come out of the ordinary revenues of the CBC and at the same time starve out the program system that we have in Canada. I am quite sure you did not mean that, because I never heard it suggested in any quarter before that such is the policy that would have to be pursued if we were going to have a shortwave station.—A. What I meant was this. I was asked what would have happened if we had been operating a station with our own money, and the remark was made that we would have had a deficit. So my remark came in, as amplifying that fact, that if we were using our own money we would have to take money that is being used for some other purpose.

Q. In other words, you were dealing with a hypothetical question?—

A. Following a hypothetical question to me.

Mr. COLDWELL: That is a favourite type of question for lawyers.

By Mr. Isnor:

Q. I would not say that. You have the facts and figures to show that if you have a maintenance charge of an additional \$500,000, you would have a deficit.—A. "If."

Q. You might continue, and if that deficit had to be made up, it would be necessary to increase one of the four items coming under the heading of "income". It is quite probable and possible that you would have to consider an increase in the licence fee if you had an additional \$500,000 charge; and it may be that you had that thought in mind in deciding it would not be wise to make the increased expenditure and thus add to the cost of the licence fee. I am just offering that as a suggestion

By Mr. Ross (St. Paul):

Q. How much does your shortwave broadcasting cost you now?—A. Very little, because they are not very costly stations. There is only one $7\frac{1}{2}$ kilowatt, and that is operated on the premises of the CBF station. The personnel is there. It is a matter of, I think, two men taking care of the station, and some power costs.

Q. Do you not broadcast overseas through the facilities of the United States stations?—A. What we do is this. If we make a contribution to an NBC program for Europe, it is carried without cost to us. It is only occasionally when we have a very special program and when we need a special connection, that we have to pay for it. But that is not an important amount of expenditure.

Mr. COLDWELL: If we can get the correspondence produced and the recommendations, and so on, we will see a little better what happened.

The WITNESS: I should like to proceed now with the reading of a note I have here on Louis Francoeur.

Louis Francoeur, as a commentator of news on the CBC French network, has done more than anyone else to properly advise the French-speaking population in Quebec on the war, and he was highly instrumental in having them accept willingly many events and decisions. It was not an easy job to explain to the Quebec people the incident at Oran and Dakar as well as many other difficult situations. He did that marvellously well. I have heard many of his talks and read some of his scripts. Never have I found in any of them the slightest indication that he was not fully with our country and with our own government. With us, he was very well disciplined and he accepted all the guidance that I thought advisable to give him. No one will ever know all the good he did in our province to enlighten our public and to serve his country.

Although Louis Francoeur was on the air over 1300 times from September, 1939, to the date of his death in May, 1941, the Radio Censorship Office never received a single complaint about his broadcasts. Furthermore, Louis Francoeur worked in close association with the Bureau of Public Information and many of his broadcasts were built with material supplied by them. He received numerous letters of congratulations on his good work, one in particular from General de Gaulle. As a matter of fact, he had very close personal friends in the Free French group. Some people may not hesitate to attack him now that he is dead, but with the excellence of his work as a background, I doubt if anyone would have dared do so while he was living. To say that Louis Francoeur might be responsible for the situation in Quebec at the present moment, as was reported here the other day, is amazingly ridiculous.

It is true that before he joined the CBC Louis Francoeur had a very hectic past, but that has absolutely nothing to do with us.

He started on the CBC network by accident. When Their Majesties came to Canada, we had retained the services of a well-known French broadcaster who was to come to Canada to stay with us for a number of months. The first assignment would have been to cover Their Majesties' arrival in Quebec. Unfortunately, a few days before they arrived, I received a cable saying that it would be impossible for him to come over. At the last minute, we asked Francoeur to try his luck at this sort of work. He was very successful, and then we kept him on to give a French translation of broadcasts coming on the national network from all parts of Canada during the royal visit. There again he made quite a success of this difficult work.

This prompted us to try him at commentating the news. He was so popular at this work that many people, with a good deal of justification, claimed that Francoeur could have been elected to any public office in Quebec had he chosen to run; this due to the popularity he had acquired through his daily broadcasts, and this, I will repeat, whilst doing excellent work towards the war effort. As the mainstay of our program "S.V.P." Louis Francoeur was also a great success.

Rather than being accused of using Louis Francoeur on our network, we should be praised for having made of him such an effective servant of the cause of our country.

Had I done nothing else for the war than have Louis Francoeur as news commentator on the French network, I would have done immense good to the province of Quebec.

Mr. COLDWELL: I should like to say that I wanted it to be distinctly understood that when I raised the matter of Louis Francoeur I was not attacking him, because I did not know enough about him. I had never heard one of his broadcasts. But I believe the matter is of sufficient importance to be raised

here in this committee because of the statements that have been made. As I said the other day, I think we should call one or two of these people who have made these statements. I do not know that the fact that somebody has been elected to public office is very much of a recommendation when I look around and see some of those who are elected to public office. I am not speaking of this house, but of elsewhere.

The WITNESS: I have here a copy of an article that appeared in "*Le Jour*" on Louis Francoeur on CBF. I should like to table it.

By Hon. Mr. Thorson:

Q. What does it say?—A. It is in French. It ends by saying that Francoeur was the right man in the right place, and that is quoted in English in the French text.

By Mr. Graydon:

Q. It is from *Le Jour*?—A. *Le Jour*; and advising also that an artisan is judged by his work, meaning that he had done a good job. I should like to table that.

By Mr. Coldwell:

Q. I think that should be placed in the record.—A. That is what I mean.

Q. I thought you said you were just tabling it.—A. It will have to be translated.

Q. It could be translated and put in.—A. All right.

Q. We have translators here? (See appendix).

Hon. Mr. THORSON: I would like to ask, Mr. Chairman, who Mr. Coldwell particularly had in mind.

Mr. COLDWELL: Who to call?

Hon. Mr. THORSON: Yes.

Mr. COLDWELL: I mentioned Mr. Harvey, the editor of *Le Jour*.

Hon. Mr. THORSON: Is there any objection to calling him?

Mr. COLDWELL: I do not think so. He attacked the corporation about a year and a half ago, I think, and he made a statement that he was prepared to appear before a parliamentary committee and substantiate what he had said. I think that, under those circumstances, Mr. Harvey should be called.

The CHAIRMAN: Mr. Harvey knows that the committee is sitting and he has made no representations to be heard.

Hon. Mr. THORSON: Make a motion that he be called.

Mr. COLDWELL: I will do that, if it is in order. I will move that Mr. Harvey be called.

The CHAIRMAN: Is there a seconder for the motion?

Mr. HANSON: I will second that.

The CHAIRMAN: It is moved by Mr. Coldwell, seconded by Mr. Hanson that Mr. Harvey be called at some subsequent date before the committee.

Mr. COLDWELL: At some subsequent date.

The CHAIRMAN: To be arranged. Is there any discussion of that motion? If not, those in favour please signify? Those against? I declare the motion carried.

The WITNESS: I have some notes here on the pension fund which I should like to read. They are as follows:—

Since the very beginning, our finance committee and our Board of Governors have been considering the opportunity of creating a pension fund for our employees. Special provision has been included in the Canadian Broadcasting Act, 1936, section 8 (m) which reads as follows:—

The corporation shall carry on a national broadcasting service within the Dominion of Canada and for that purpose may:

- (m) establish and support a pension fund for the benefit of employees or ex-employees of the corporation, or the dependents of such persons.

During 1937 and 1938, our secretariat, acting under instructions from the management, solicited information on various types of annuities and pension plans from insurance companies and commercial enterprises that had already instituted such schemes for their own personnel. Among the many replies the following were received and compared:

The Great West Life Assurance Co., Dominion Life Assurance Co., North American Life Assurance Co., Boyd, Gendron and Byatt Ltd., a group of insurance companies made up of the Mutual, Canada, London and Confederation Life Association, Canadian National Railways, Bank of Canada, BBC Staff Pension Scheme, and Canadian Government Annuities.

Then in 1939 appeared a draft bill for the establishment of a Federated Bodies Superannuation Act to cover the CBC, Canadian Farm Loan Board, Federal District Commission, National Battlefields Commission, National Harbours Board, etc. The bill was analysed by the secretariat, a comparison was made between it and the provisions and benefits of Civil Service superannuation, and a report was submitted to the executive for consideration by the Board of Governors. That plan has been abandoned by the government, at least for the time being.

In 1940 an opinion was sought from the Department of Justice as to whether, in view of the status of the corporation as an emanation of the crown, CBC employees might not fall under Civil Service Superannuation. The reply stated that, in view of section 8, subsection (m) of the Canadian Broadcasting Act, 1936, it was apparent that parliament wished to place the employees of the corporation for purposes of superannuation or retirement upon a different footing from that under the Civil Service Superannuation Act. In this regard, too, the fear has been present that, if CBC employees were placed under Civil Service Superannuation, the treasury board might request authority from the government to supervise the administration of personnel, chiefly with reference to the employment and separation of employees, which supervision would negate the original object of creating the CBC as a corporation independent of the Civil Service.

Staff councils were established throughout the CBC in June, 1941, and at the first national meeting of staff council representatives held in October of the same year the question of a pension plan was discussed and the following motion was carried:—

That each member of this national council report to his staff council on pension plans.....; that each staff council, if in favour of a pension plan, should indicate by vote, before the 1st of January, 1942, its preference of the three alternative plans outlined (Civil Service Superannuation, Federated Bodies Superannuation, reinsured plan); that the decision and vote count be reported to the national secretary of the staff councils who will then present a full report to the administration.

It was made clear that in asking for this expression of preference there could be no definite assurance that the desired form of pension plan could be secured; it was felt, however, that an indication of preference by staff after study and discussion of the different alternatives, would be a necessary first step toward bringing a pension plan for CBC employees into effect.

Subsequently, after every council had indicated its desire for a pension plan, a strong resolution was drawn up, approved by all staff councils and submitted to the executive for consideration by the Board of Governors which

at its meeting in April replied that the time was not opportune for the institution of pensions for CBC staff.

It was pointed out that both our licence fees and commercial revenues may be materially reduced due to the war and that it would not be prudent to commit ourselves to an annual expenditure of some \$90,000. Our staff councils are disappointed with that decision and they have been invited to delegate representatives to meet our governors at the next meeting.

By Mr. Coldwell:

Q. The 1930 parliamentary committee had some reference to a pension plan, did it not, for the CBC employees?—A. I cannot recall.

Q. There is one very interesting point. You have a communication apparently from the Department of Justice regarding the status of the corporation. I notice that Mr. Thorson, in his evidence the other day, was very emphatic that in his opinion the corporation was autonomous and independent. Apparently that would be confirmed by that letter from the Department of Justice. Is that right?—A. Yes.

Q. Then why is it that when the employees wanted to organize, two or three years ago, the attitude was taken that they could not organize because they were in the same position as the civil service and the corporation was an emanation of the crown?—A. Well, that question was discussed by the Department of Justice. That is a legal point which I am not competent to discuss.

Q. You are in charge of the staff, and I think that is a matter that should be cleared up.—A. That is why it was referred to the Justice Department—to be cleared up.

Q. Mr. Howe, in the house on one occasion, speaking of the BBC and of the CBC, said that the positions of the two organizations were analogous. I have a letter here from Sir Walter Citrine, general secretary of the Trades Union Congress in Great Britain, and I should like to put this on record. It is addressed to Mr. MacInnis:—

In reply to your subsequent question as to the extent of recognition afforded the trade unions affiliated to the T.U.C. by such corporations as the BBC, you will, of course, be aware that the BBC is a chartered corporation whose employees, like those in industry, are at liberty to join any appropriate union they desire.

Our people are in the same position, and the precedent of the BBC was quoted at the time to show that our employees had that right. As a matter of fact, this whole letter deals with the question of government corporations and their relation to the Trades Union Congress. While the first part of this will probably be read elsewhere in another connection, I would point out that in Great Britain corporations that are government-owned are treated exactly in the same way as any private industrial organization is treated. The employees are at liberty to organize in the union of their choice.

Sir Walter Citrine's letter is headed "Transport House, London", and is dated April 24, 1942. It is a very important letter. I think this is an important matter and is one upon which I should like to hear some discussion. We are supposed to be fighting a war for the preservation of democratic rights. Surely if there is one fundamental democratic right, it is the right of employees to organize in the union of their choice. I should like to see tabled the letter which contains the opinion of the Department of Justice, because there seems to be a direct conflict between the statement of the minister and this particular opinion, and the other opinion that was given.—A. All right.

(See Appendix.)

Q. When did the employees try to organize a union?—A. Well, there again, I took over on the 1st of April, 1941; and up to that moment negotiations with our employees were carried out between their representatives and our

general manager. When I took over, this ruling from Justice had been obtained, and I told the employees that they were absolutely free to join any union they wanted. We had nothing against unions except that we were told that we could not sign an agreement with an outside union covering all our employees. At the present time we have, as I said before, staff councils which include all employees in all divisions in all occupations. I do not know whether any of them are or are not members of unions. That does not enter into the picture at all. They may group as they please. But to sign an agreement between the employees and the CBC we were told could not be done with an outside organization.

Q. Who gave that opinion?—A. Justice.

Q. Could we have that opinion filed?—A. Yes.

(See Appendix.)

Q. Those negotiations prior to this had been conducted by Major Murray?
—A. Yes, up to the 1st of April, 1941.

Q. You issued a memorandum to the members of the CBC staff?—A. Yes.

Q. Dated June 25, 1941?—A. Yes.

Q. I should like to place that on record, if I may.—A. Very well.

Q. It reads:—

Memorandum to all members of the CBC staff.

In order to bring about the best possible relations between the personnel and the administration, it has been decided to invite all corporation employees to appoint staff councils at each of the following points: Vancouver, Watrous, Winnipeg, Toronto, Montreal, Sackville, Halifax.

These councils, through their elected officers, will represent the local staff and will take up with the local manager and where necessary, with the general management, all matters pertaining to the local groups and individuals.

May I ask who decided that? It says, "It has been decided to invite all corporation employees." Who decided that?—A. I submitted a plan to the board which approved of it.

Q. The board approved of the plan that was submitted?—A. Yes.

Q. In other words, the board approved the plan to establish in effect what we know in labour circles as "company unions" as opposed to the affiliation of the employees with a regularly constituted trade union. It will be a corporation union.—A. Well, I should like to have a definition of "union."

Mr. SLAGHT: It will be a union voluntarily formed by the men themselves with no interference or direction from headquarters at all.

Mr. COLDWELL: No, no; it has been decided—

Hon. Mr. THORSON: To do what?

Mr. COLDWELL: "It has been decided to invite all corporation employees to appoint staff councils—"

The WITNESS: And they accepted.

By Mr. Coldwell:

Q. "It has been decided to invite all corporation employees to appoint staff councils at each of the following points." After this invitation from the corporation the employees might find it rather difficult to refuse such an invitation.

Mr. SLAGHT: I should not think so. I am looking for light in the matter. I do not see any domination of free choice of the workmen to select whom they please.

Mr. COLDWELL: Select their own representatives?

Mr. SLAGHT: Select their own representatives.

Mr. COLDWELL: Not select their own unions?

Mr. SLAGHT: It is a union of employees of the corporation, not an outside union. It is a union of the employees, instead of going over to Washington or somewhere to operate under some international organization to rule the CBC.

Mr. COLDWELL: Or Ottawa or Toronto.

Mr. SLAGHT: You know what happens in other unions when the C.I.O. get in.

Mr. COLDWELL:—

The officers chosen will be the truly elected representatives of the staff within the regions designated. Once a year representatives of such councils will meet at a central point, at the expense of the corporation, to discuss matters of general interest to the whole personnel throughout Canada. They will then submit to the management any matter they may wish.

Subject to the adoption at some later date of rules governing this organization, this method of establishing better contact and co-operation should be put into operation as soon as possible; I hope it will prove very successful. The basic principle is that we recognize that the staff as a group has the right to discuss all matters pertaining to conditions of employment and to submit to the management any claim, suggestion and complaint which it is thought necessary to bring forward. A spirit of full co-operation and of good faith in all those concerned should prevail in the conduct of this new and important organism within the CBC. The corporation is anxious that the staff be given an opportunity to express its views freely and that all steps possible be taken to create a spirit of satisfaction and of confidence in the administration.

Of course, we will not tolerate that any individual through his action should interfere with the smooth conduct of this co-operative scheme; and I am sure that we will have no difficulty in this respect because I know that our personnel is composed of well-intentioned and faithful servants who will see to it that no trouble-maker jeopardizes their honest efforts to maintain the best of relations within the whole organization.

Now, may I ask this question? You had a little trouble with organizations before this?—A. Yes, sir—no, not with organizations.

Q. With an organization?—A. No.

Q. What about the Association of Technical Employees?—A. We had trouble with one or two individuals.

Q. With one or two individuals?—A. Yes.

Q. What were they trying to do?—A. All sorts of things. One of them was to organize our technical staff in a union controlled by an international group of technical employees.

Q. Well, I would take exception to that statement because the union would be controlled by its members. If the technical staff has membership in the union they will at least have some say in the control of the union. At this time was a Mr. Murphy?—A. Yes, sir.

Q. —connected with it?—A. Yes.

Q. And he came to Ottawa to ask for a conciliation board?—A. Yes, sir.

Q. And during the time he was here was he arrested?—A. I say, "Yes," sir; I was not here. I was informed he was. Yes, he did ask for a conciliation board, yes, sir.

Q. He was arrested, was he?—A. Yes, sir.

Q. Do you know what he was arrested for?—A. Yes, sir.

Q. What?—A. Well, I should like to have legal advice as to what the R.C.M.P. think and why they arrested him. It is not my business to say why.

Q. He was released shortly after, was he not?—A. Not that I know of. He is still there; he sent me a Christmas card last year from the internment camp.

Q. That was very nice of him. He was picked up at that time?—A. Yes, sir.

Q. Do you know if any charge was made against him?—A. There was a charge, but it had nothing to do with us.

Q. Nothing to do with you?—A. No.

Q. His arrest had no connection with his activities?—A. Absolutely not at all. We had been informed of what was coming to him months and months before, and knowing that, it was absolutely outside of our organization—you will understand, I think, yourself that he was not the proper man to deal with.

Q. Well, that may be so. Nevertheless, he was here.—A. He was arrested, yes.

Q. And during the time that he was negotiating with this board of conciliation—was it?—A. Yes.

Q. With the Department of Labour?—A. Yes.

Q. He was arrested?—A. Yes.

Q. The corporation had nothing to do with the laying of any information?—A. None whatever.

Q. None whatever—A. Pardon me? About what?

Q. Any information regarding his activities?—A. Outside of the CBC?

Q. No, inside the CBC.—A. No.

Q. None at all?—A. Our negotiating with him for a union did not come into the picture at all in the charge against him.

Q. Did not come into this picture at all?—A. No.

Q. How many employees joined this union, have you any idea of that?—A. Just from memory I would say some 20 people.

Q. Out of a staff of how many?—A. 625.

Q. Technical employees?—A. No, a staff of some 175 technical employees.

Mr. SLAGHT: May I have the name of the union and the headquarters of it?

Mr. COLDWELL: Yes; Association of Technical Employees, and the local headquarters are 1175 Bay street, Toronto, affiliated with the Trades and Labour Council of Canada, of which Mr. Tom Moore is the president.

Mr. SLAGHT: I did not get the name.

Mr. COLDWELL: Association of Technical Employees.

Mr. SLAGHT: Is it international?

Mr. COLDWELL: All our unions affiliated with the Congress are international.

Mr. SLAGHT: Can you give me the headquarters in the States?

Mr. COLDWELL: I cannot give you that. I gave you the Canadian headquarters because I think everybody who understands Canadian labour organizations knows that while our organizations are affiliated with the A.F. of L., the American Federation of Labor, for example, yet we have an autonomous trade union congress and our unions affiliated with the congress conduct their own affairs in Canada so that I suppose we are all more or less in every sphere co-operating with organizations that are international in their scope. We are in the war effort at the present time.

Mr. SLAGHT: Can you tell us whether this is a C.I.O. affiliate?

Mr. COLDWELL: No, it is not a C.I.O. affiliate, it is an A.F. of L. affiliate, but I do not think it would make any difference if it were.

Mr. SLAGHT: It might.

Mr. COLDWELL: I will go on with the reading.

The WITNESS: You must keep in mind that when I took that up in 1941 I had been asked questions by the R.C.M.P. for quite a number of months about this gentleman and we knew pretty well what was coming to him. I really do not think that he was really the sort of individual to deal with as a representative of our employees. He was their chairman in Toronto.

By Mr. Bertrand:

Q. You were very careful?—A. I certainly was.

Mr. COLDWELL: I do not know anything about Mr. Murphy. As a matter of fact, as I said just now, I did not know that he was in; but here you have a group of employees who are appointing someone to negotiate and he proceeds to negotiate with the Department of Labour and he is arrested?

The WITNESS: Yes.

Mr. COLDWELL: The Department of Labour or the police, rather, were very ill-advised to pick up the man at that particular time because of the implications that would be placed upon the action; but I am not sure in my own mind as to whether a man—I am sure the man should not be arrested on account of political opinions—I will put it this way: that some other overt act should be either in contemplation or actually committed before a man should be arrested under any circumstances.

Mr. BERTRAND: We would not be the proper body to decide that.

The CHAIRMAN: That is entirely irrelevant. The CBC has nothing to do with it.

Mr. COLDWELL: I just mention it because Dr. Frigon raised the question. He said the Mounted Police had been talking to him about this matter.

The WITNESS: You asked me if he had been arrested and I said yes.

Mr. COLDWELL: I am answering Dr. Frigon's statement.

Mr. SLAGHT: May I have just a word? I quite agree that no man should be arrested solely because he purports to represent a union and on that score; but if a man puts himself forward—and I am not at all sure that my friend Mr. Coldwell is right when he says the workmen had chosen this gentleman to represent them. The little I know of it, I think Mr. Murphy tried to superimpose himself on the employees of this organization and that is a very different picture. But if a man who attempts to superimpose himself and secures adherents has a black record for other reasons, then I do not think this committee has any jurisdiction to inquire into or go into it. It might come under the Defence of Canada Regulations, or some other appropriate tribunal.

Mr. COLDWELL: I am not dealing with that particular point particularly. May I proceed to read this letter?

It is to be understood that staff councils are not expected to deal with individual employees' personal grievances. The councils are mainly interested in the general welfare of the personnel and the problems of any individual should be taken up only in so far as they may affect the staff generally or any group of employees.

Well, now, an organization of workers as a rule will look after any victimization of a fellow employee or discrimination. According to this that cannot be done.

The WITNESS: Have you read the document I put on the record last time, showing the agreement accepted at the October meeting of the staff councils' representatives? If you did you will see it is all taken care of there.

Mr. COLDWELL:—

The personnel is free to appoint whom they please and not only will they have the right, but it will be expected that they will commu-

nicate with me as often as they wish. This is not a matter of employees being permitted to go over the head of their immediate chiefs because discipline must be maintained. It is simply a confirmation of the principle of the right of any group of employees to express themselves as a body directly to the head of their organization or to his specially appointed representative.

Although it is not the intention to force the employees at each point to appoint a council, it is in the interest of the service that such council be created. It is expected that the views of the personnel will be better known to the management if some sort of an official channel exists for the purpose of making efficient contact easier. So far as the undersigned is concerned, his responsibilities towards the personnel will be more efficiently discharged if, instead of taking up matters with a great number of individual employees, all questions are first discussed between themselves so that a concerted opinion may be submitted in the name of them all. May the new organization make it possible for the administration to make you feel happy in the performance of your duties. Hereafter I propose to deal through the Executive of Staff Councils in all matters concerning the general interests of all employees.

And it is signed by yourself. May I just repeat this: "Hereafter I propose to deal through the Executive of Staff Councils in all matters concerning the general interests of all employees." That would indicate quite clearly, I take it, that the management do not intend to deal with any other organization even if the employees decide they were going to have a union.

The WITNESS: Well, first of all, that thing is not mentioned; what you say is not mentioned in the document at all to start with, and there was no question then of a union.

Mr. SLAGHT: It is time enough to deal with trouble when it appears.

The WITNESS: There was not much use saying in June '41 that we would or would not deal with a union if ever it was organized.

Mr. BERTRAND: You did not open your umbrella before it rained.

Mr. COLDWELL: I think in fairness to what Dr. Frigon has said about this man Murphy, that I should draw to his attention the fact that the National Executive Committee of the organization issued a statement to members of the association and after outlining what Dr. Frigon has outlined substantially and remarking that up to that time no court action had taken place against this man they go on to say:—

Mr. Murphy was elected to the post of Broadcast Division Chairman, by the men with whom he worked daily, and on their behalf carried on negotiations for a collective agreement. At no time, had any suggestions been made to the National Executive, that Mr. Murphy mixed any outside interests with his union activity. The evidence of those with whom he associated in the A.T.E., clearly indicated that Mr. Murphy worked faithfully to secure a greater measure of economic improvement for the members whom he represented.

It has now come to the attention of the National Executive Committee, that rumours have been spread among the C.B.C. employees to the effect that the association is subversive and is dominated by persons who have not the best interest of trade unionism and the welfare of the country at heart. It is reported that such rumours originated with an official of the C.B.C. and are followed by the suggestion that members would be well advised to drop their A.T.E. membership. In addition, we are informed that rumours from similar circles in Montreal, indicate the resignation of twelve members in another branch. I read all this because I think I should.

We emphatically repudiate all such insinuating slander, and will prosecute to the limit of the courts, if the source and statements are submitted in writing.

And then they go on to outline some of the work that they have done; and the point at issue, though, is not whether this was a good or a bad trade union under good or bad leadership, but whether the employees of the organization had the right to organize in a union of their choice.

The WITNESS: The Justice Department ruled to the contrary.

Mr. COLDWELL: Well, we will see the letter and then we will discuss it further. I will wait until the letter is filed.

The WITNESS: I have one other matter to deal with, if you do not mind. You asked why Mr. Jules Romain was refused the air. I have told you already he has been on the air, and I should like now to put in this material with regard to the incident:—

The Jules Romain incident may be summed up as follows:—

On August 5 and 6, 1940, we broadcast on the French network recordings of a talk by Jules Romain (Jules Louis Farigoule), which he had given from New York in his quality of President of the Pen Clubs. These two talks were an appeal to the French government not to give in to Germany.

On November 10, 1940, Jules Romain reached Montreal at the invitation of the local Pen Club. He was immediately approached by one of our men and invited to talk on our network on some topic of literary interest and as International President of the Pen Clubs. He would not give a final answer at that moment, and when negotiations were resumed, he insisted on talking on political matters. I then gave instructions to our Talks Supervisor to leave the matter in suspense. My main reasons for doing so were that there had been numerous adverse comments on articles published by Mr. Romain in the U.S.A. and on his participation in international affairs generally. Moreover, in the interval, he had given an interview to a local paper which had considerably offended a number of Canadians and which, in my estimation, was not conducive to qualify Mr. Romain to broadcast on our French network at that particular moment. The interview he gave read as follows, this being a translation of the French copy.

This appeared in *La Presse* on November 14, 1940:—

“Surrounded by newspapermen in the lobby of the Mount Royal Hotel, Jules Romain, the noted novelist who has recently become an officious ambassador from France tells why he has not been in Canada before. ‘It is simply because I have never been invited,’ he admitted. He continued, ‘I, who have visited many countries, have never been invited during my former visits to the United States to cross the border. Therein I see a certain timidity on the part of French Canadians to welcome the French leaders in whatever field they may be. And yet frequent intercourse between yourselves and the great masters abroad is necessary for a full development among you of that French culture which you cherish so jealously. Rightly so, it is not a question of the province of Quebec being a conservatory but rather a new shoot, a new France. History is not made out of the past. You have lived too long within yourselves. Your Catholicity, which has caused you to remain aloof from French anti-clericals or the indifferent should have been strong enough for you to have assimilated the good in them and to have neutralized their subversive elements.’”

"Take the Argentine, for instance, a young and catholic country like yours, for years it has kept its doors open to all French scholars and artists and its intellectuals have made French culture a part of their own to such an extent that in Buenos Aires thousands rush to hear and applaud French writers, philosophers, actors and singers. And these thousands had to learn the French language whereas here the language is the same as that of France.

"With this sally and the expression of the hope that the province of Quebec would establish compulsory education and libraries in all its centres, Mr. Romaines went on to speak (all too briefly) about his great series of books 'Men of Good Will'.

Men of Good Will

"Each year at All Saints' Day," he said, "I had accustomed my readers to the publishing of two volumes of this long series which they had followed with a great deal of patience. In November, 1939, in spite of the war, I brought out at the usual time the 17th and 18th volumes, 'Vorges contre Quinette' and 'La Douceur de Vivre.' In 1940, I was able to work on volumes 19 and 20 until the 9th of June. I pride myself in this fact because life in France was not favourable to intellectual endeavours. I must admit that I was unable to get back to them until the fall. The two volumes are not yet finished. I am now asking myself if I shall be able to have them published in France. My editor himself is financially embarrassed, I don't want to put them aside and at the same time I am somewhat obligated to my New York publisher who will bring out the books at the beginning of next December, simultaneously in English and French as well as my articles which appeared in the *Saturday Evening Post*, the latter under the title 'Seven Mysteries of Europe's Destiny.'

"But unconsciously Mr. Romaines drifts into the discussion of international politics whereas the newspapermen try to keep him on the subject of literature. But two admirers of the novelist are attending the conference and politics eventually triumph. Mr. Romaines takes up the ideas and events treated in his American articles and which he had already discussed on his arrival in Montreal," and so on.

Of course, Romaines' statement: "Therein I see a certain timidity on the part of French Canadians to welcome the French leaders in whatever field they may be," is complete nonsense. As far back as I can remember, there has been a continuous flow in Quebec of French intellectuals, professors, authors, scientists, etc., who have lectured at the "Alliance Francaise," the "Cercle Universitaire," of Montreal, the two French universities, as well as at many other places. Our universities have engaged the services of many Frenchmen who are still in charge of very important courses. The "Institut Scientifique Franco-Canadien," of which I have been a director since its foundation in 1926, has alone brought to Canada nearly 100 of the best lecturers to be found in France.

I have never heard from Mr. Jules Romaines since, that is, in so far as the CBC is concerned.

By Mr. Coldwell:

Q. May I ask, Dr. Frigon, if that statement you quoted was written by Romaines?—A. I do not think so; it is a newspaper report. He was around Montreal a lot at that time.

Q. It is a newspaper report. You know, sometimes a newspaper reporter writes to emphasize—

Mr. BERTRAND: It was never disclaimed by Mr. Romaines although it raised quite a lot of feeling.

The WITNESS: I am glad to hear you say that a newspaper can be mistaken at times.

Mr. SLAGHT: It reminds me of a friend that Mr. Coldwell and I had a mutual acquaintance with, of whom it is said he never spoke of his own high qualities and great ability except to newspaper reporters.

The WITNESS: When this incident happened it was no time for us to put Romaines on the network. There was too much talk about his articles in the Saturday Evening Post, and we just let it drift and it is still drifting.

By Mr. Coldwell:

Q. What kind of objection was taken to his articles in the Saturday Evening Post? I read them, incidentally.—A. You read them?

Q. I read them.—A. Some people did not like them. If we were to put on the French network what he wrote in the Saturday Evening Post there would be some inquiry here, I am sure.

Q. That may be so, but generally speaking I think it was fair discussion of events which led up to the fall of France, interviews he had with various people.—A. Do you want us to broadcast his chapter on England on the French network?

Q. Well—A. We will put it on if you want us to do it.

Q. I am not suggesting that.—A. You made the remark.

Q. No. Here was a man who was— —A. With the permission of the chairman I should like to place on the record three resolutions of the Board of Governors pertaining to the appointment of the finance committee. I am also putting on the record a list of the members of Staff Councils with their positions and their location, and I am also putting on the record a statement on the commissions paid in respect to commercial broadcasts and payments to private stations. Now I am through.

Mr. COLDWELL: We may want to ask you some more questions.

Mr. ISNOR: Before the witness leaves, as I understand he is in charge of the financial affairs of the corporation, I wonder would he be good enough to prepare a statement with the possibility of the committee considering it at some future time, on the licence fees. I should like to have, if it can be arranged, a statement prepared on the returns covering licence fees of last year so as to show if the fees of \$2.50 were reduced to \$2, and the \$2 battery set licence reduced to \$1, what would be the total income.

The WITNESS: All right, sir, we will figure that out.

The CHAIRMAN: It is just one o'clock. Is it the wish of the committee to meet to-morrow?

Mr. COLDWELL: I would rather not. I am going to be away to-morrow, but please yourself.

Mr. SLAGHT: Is Major Murray coming back? I have one or two questions I would like to ask him about shortwave.

The CHAIRMAN: Yes, he will be on hand.

Mr. COLDWELL: I cannot be here to-morrow.

The CHAIRMAN: We will adjourn to meet on Tuesday, June 9, at 10.30 a.m.

The committee adjourned at 1.00 o'clock p.m., to meet again on Tuesday, June 9, at 10.30 o'clock a.m.

APPENDIX A

ARTICLE PARU DANS *LE JOUR* — 6 JANVIER 1940*Louis Francœur à CBF*

Comment procède M. Louis Francœur pour donner à quelques minutes à peine d'intervalle une traduction presque intégrale du journal parlé qu'irradie tous les jours la BBC et que relais à ses auditeurs la Société Radio-Canada? Certains prétendent que de compétentes sténographes, installées dans un studio voisin, captent au fur et à mesure ce que le speaker débite de Londres pendant que de non moins compétentes dactylographes en tapent à la vapeur des copies que, bribe par bribe, on remet en vitesse à M. Francœur qui les traduit ensuite "à vue de nez" devant le micro. D'autres, à l'imagination plus... "moderne", supposent volontiers l'utilisation de quelque machine récemment inventée faisant automatiquement le travail préliminaire précité.

Intrigué et sceptique, je décidai, pour le bénéfice de l'auditeur autant que pour le mien, d'aller constater de visu ce qui se passe en réalité. Et, comme je m'y attendais un peu, ce qui se passe en réalité, n'offre aucunement le spectacle d'un tel branle-bas. M. Francœur, pour qui le connaît, est un homme trop peu compliqué pour se prêter aux ennuis d'un pareil rouage; tout bonnement installé à une table, il écoute très attentivement les nouvelles de Londres transmises par un haut-parleur, prend quelques notes, consulte parfois une carte de l'Europe... et c'est tout! Le reste se fait grâce à sa mémoire; une mémoire au service d'une longue expérience du journalisme, d'un bilinguisme accompli, d'une grande spécialisation en fait de politique étrangère. Si on ajoute à cela que M. Francœur a une remarquable facilité de débit, on s'explique très aisément qu'il soit à ce poste "the right man in the right place".

Encore une fois le bon vieux La Fontaine a ici raison: "à l'œuvre on connaît l'artisan"... quoi qu'en pensent certains frelons de la radio.

Micro SCOME

*(Translation)*ARTICLE PUBLISHED IN *LE JOUR*, JANUARY 6, 1940*Louis Francœur at CBF*

How does Mr. Louis Francœur go about it to give after a few minutes' interval an almost textual translation of the newscast which the BBC gives every day and which the Canadian Broadcasting Corporation relays to its listeners. Some claim that competent stenographers installed in an adjoining studio jot down word for word what the speaker says from London while equally skilled typists working at breakneck speed make copies which piecemeal-like, are handed with all speed to Mr. Francœur who then translates them at a glance before the microphone. Others, with a more "modern" imagination, readily conceive the utilization of some recently invented machine which automatically performs the above-mentioned preliminary work.

Intrigued and skeptical, I decided for the benefit of the listener as much as for my own satisfaction, to go and see with my own eyes just what actually takes place. And, as I somewhat expected, that which actually takes place does not provide in any way the spectacle of such a commotion. Mr. Francœur, to those who know him, is a man who eschews complications too much to suffer the annoyance of such a set-up. Seated before a table, he listens very attentively to the news from London transmitted by means of a loud-speaker, takes a few

notes, sometimes consults a map of Europe . . . and that is all! His memory does the rest; a memory in the service of a long experience in journalism, of an accomplished bilingualism, of deep specialization in foreign politics. If one completes the picture with the statement that Mr. Francœur is gifted with a remarkable facility of delivery, one quite easily grasps that in such a post he is "the right man in the right place".

Once again, the good old fabulist, La Fontaine, is right in this case: "a good workman is known by his chips" . . . no matter what certain radio drones may think.

Micro SCOME

APPENDIX B

COPY

Department of Justice,
Canada.
Please address
The Deputy Minister of Justice,
Ottawa.
Dear Sir,—

OTTAWA, 4th April, 1941.

J.R. 5698/41

I have given careful consideration to the question submitted by you whether your Corporation is authorized to enter into an agreement with the Association of Technical Employees, a union affiliated with the Trades and Labour Congress of Canada, in the terms of the draft proposal submitted by you.

Your Corporation is, in many respects, in the position of a department of Government and I would not think that the Board of Governors or the General Manager would have the authority to enter into such an agreement which would restrict the authority of the Corporation to act as freely as the Government itself in all matters relating to its employees.

Yours truly,

(Sgd.) W. STUART EDWARDS,
Deputy Minister of Justice.

The General Manager,
Canadian Broadcasting Corporation,
OTTAWA.

APPENDIX C

- (1) Extract from the Minutes of the 2nd Meeting of the Board of Governors of the Canadian Broadcasting Corporation, held in Room 1121, National Research Building, Ottawa, on the 17th, 18th and 19th December, 1936.

The formation of an executive committee was again considered. After considerable discussion, a special finance committee, comprising Mr. Morin and Mr. Nathanson, was appointed.

- (2) Extract from the Minutes of the 3rd Meeting of the Board of Governors of the Canadian Broadcasting Corporation held in Room 1147, National Research Building, Ottawa, on the 8th, 9th and 10th and 11th of March, 1937.

It was resolved that General Victor Odlum be added to the Finance Committee.

- (3) Extract from Minutes of the 14th meeting of the Board of Governors of the Canadian Broadcasting Corporation, held in the Head Office, Victoria Building, Ottawa, Ontario, on April 15 and 16, 1940.

The Chairman pointed out that inasmuch as Major General V. W. Odlum was no longer available to serve on the Finance Committee, it would be necessary to appoint another member of the Board to take his place.

Moved by Rev. Canon Fuller, seconded by Dr. Thomson, it was resolved that Mr. J. W. Godfrey be appointed a member of the finance committee.

APPENDIX D

EXECUTIVES OF CBC STAFF COUNCILS

National Secretary: E. C. Stewart, Chief Broadcast Opr., CBO, Ottawa

Location	Name	Classification
Halifax Studios.....	R. B. W. Marven (Chairman)...	Producer, Grade 1
	J. Crease (Secretary).....	Steno., Grade 2
	A. Canning.....	Superv. Broad Opr.
	F. Segee.....	News Editor, Grade 2
CBA, Sackville.....	J. M. Laporte (Chairman)....	Broadcast Operator
	M. H. Waller (Secretary)....	Steno., Grade 2
CBJ, Chicoutimi.....	R. Dallaire (Chairman).....	Studio Asst., Grade 2
	J. Bergeron (Secretary).....	Steno., Grade 1
CBV, Quebec.....	C. Frenette (Chairman).....	Superv. Broad. Opr.
Montreal Studios.....	M. Gendron (Chairman).....	Clerk, Grade 4
	M. Rochon (Secretary).....	Steno., Grade 2
	G. Hudon.....	Superv. Broad. Opr.
	E. C. Ward.....	Broadcast Opr.
	R. Daveluy.....	Producer, Grade 2
	P. Dupuis.....	Producer, Grade 1
	L. Tilden.....	Announcer, Grade 2
	C. L. Lorrain.....	Clerk, Grade 4
Keefer Building, Montreal....	M. J. Werry (Chairman).....	Broad. Engineer
	C. Labonte (Secretary).....	Steno., Grade 1
	A. W. S. O'Dell.....	Draftsman
	R. Shehyn.....	Draftsman Appr.
	A. B. Ellis.....	Superv. Broad. Eng.
	M. Peterkin.....	Asst. to Superv. of Purch. and Stores
	P. Duffie.....	Steno., Grade 1
	L. Ducharme.....	Superv. Broad. Opr.
	W. Falconer.....	Broadcast Opr.
Head Office, Ottawa.....	H. Bramah (Chairman).....	Accountant
	K. M. Kelly (Secretary).....	Acting Asst. to Sec.
	J. P. Masse.....	Clerk, Grade 4
	J. Hart.....	Clerk, Grade 4
	H. E. Stinson.....	Clerk, Grade 3
CBO, Ottawa.....	J. A. Pickard (Chairman)....	Broadcast. Opr.
	L. de Olloqui (Secretary)....	Clerk, Grade 2
	N. Mathies.....	Broad. Opr.
	E. C. Finlay.....	Superv. Broad. Opr.
	D. Richardson.....	Steno., Grade 1
55 York Street, Toronto.....	D. C. McArthur (Chairman)...	Chief News Editor
	G. Appleby (Secretary).....	Secy. to Executive
	J. T. Carlyle.....	Head Clerk
	S. A. Blangsted.....	Press and Inf. Repres., Grade 2
	O. J. W. Shugg.....	Superv. of Farm Broadcasts
	C. R. Delafield.....	Program Admn Officer

EXECUTIVES OF CBC STAFF COUNCILS—*Concluded*

Toronto Studios.....	R. Forsee (Chairman).....	Producer, Grade 2
	E. W. Devlin (Secretary).....	Announcer, Grade 2
	W. A. Reid.....	Chief Broad. Opr.
	H. Hilliard.....	Superv. Broad. Opr.
	M. Gilbert.....	Superv. Broad. Opr.
Winnipeg Offices.....	A. G. Cowan (Chairman).....	Producer, Grade 2
	H. M. Magill (Secretary).....	Steno., Grade 1
	W. H. Metcalfe.....	News Editor, Grade 3
	B. C. Deaville.....	Prog. Asst., Grade 1
	V. Beaufoy.....	Steno., Grade 2
CBK, Watrous.....	A. S. Haggerty (Chairman)....	Broadcast Opr.
	L. M. Johns (Secretary).....	Steno., Grade 1
	W. E. Ward.....	Studio Asst., Grade 2
CBR, Vancouver.....	J. N. Grandall (Chairman)....	News Editor, Grade 4
	G. Gibb (Secretary).....	Steno., Grade 2
	J. S. Laurie.....	Broadcast Opr.
	S. D. Catton.....	Producer, Grade 1
	J. W. Barnes.....	Announcer, Grade 1

OTTAWA, June 3, 1942.

APPENDIX E

CANADIAN BROADCASTING CORPORATION

COMMERCIAL BROADCASTING OPERATIONS

*Commissions and Payments to Private Stations for the period
1st April, 1937, to 31st March, 1942*

Year Ended	Commissions	Payments to Private Stations
31st March, 1938.....	\$ 111,372 39	\$ 83,963 09
31st March, 1939.....	244,523 74	287,999 64
31st March, 1940.....	329,629 34	499,129 76
31st March, 1941.....	365,562 47	599,947 87
31st March, 1942.....	400,685 35 (est.)	635,657 06 (est.)
	<hr/> \$1,451,773 29 <hr/>	<hr/> \$2,106,697 42 <hr/>

OTTAWA, Ontario,
3rd June, 1942.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 7

TUESDAY, JUNE 9, 1942
WEDNESDAY, JUNE 10, 1942

WITNESSES:

Major Gladstone Murray, General Manager and Dr. Augustin Frigon,
Assistant General Manager, of the Canadian Broadcasting Corporation

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

TUESDAY, June 9, 1942.

The Special Committee on Radio Broadcasting met at 10.30 a.m., Dr. McCann, the Chairman, presiding.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Graydon, Hanson (*Skeena*), Laflamme, McCann, Mullins, Rennie, Ross (*St. Paul's*), Telford, Tripp, Veniot—13.

In attendance:

From C.B.C.: Messrs. Manson, Bushnell, Radford, Findlay, Brodie, Miss Belcourt and Mr. G. W. Olive, Chief Engineer.

From the Department of Transport: Messrs. Rush, Caton and Bain.

From the Department of National War Services: Mr. Justice T. C. Davis.

The Chairman read a letter from Mr. W. A. Rush, Controller of Radio, Department of Transport, to the Clerk, dated June 6, 1942, sending information requested by Mr. Isnor.

Ordered—That the data mentioned in Mr. Rush's letter be printed. (*See appendix A to this day's evidence.*)

The Chairman also read a letter from the Prince Rupert Chamber of Commerce, dated June 2, 1942, and the accompanying resolution.

On motion of Mr. Hanson (*Skeena*), seconded by Mr. Coldwell,

Resolved—That the letter and the resolution be printed. (*See appendix B to this day's evidence.*)

Further communications received by the Chairman will be tabled later.

Dr. Frigon was recalled and briefly questioned.

Supplementing his statement, Dr. Frigon placed on the record a note regarding the Havana Agreement, dated June 9, 1942.

Ordered—That this agreement be printed. (*See appendix C to this day's evidence.*)

Witness retired.

As agreed at the last meeting, Major Murray was recalled and examined. He was assisted by Mr. E. L. Bushnell.

The witness tabled the following:

1. A copy of the B.B.C. Handbook (1942).
2. Personnel of the B.B.C. Overseas' broadcasting unit.
3. Pamphlet entitled "Radio in War Time", copies of which were distributed.

He also filed a study entitled "Pattern for Agricultural Broadcasting in Canada" and copies were forthwith distributed to the members present.

Referring to School Broadcasts and the French program Radio-College, Mr. Murray filed a copy of the projected program for 1942-1943, stating that copies of this program would be available later.

Discussion followed.

The witness was further questioned on Government Informational Broadcasts.

Mr. Coldwell asked that a prepared statement be tabled showing the total amount of discounts paid by the C.B.C. on account of advertising programs sponsored by the Government, inclusive of the advertising programs for Victory Loans.

Major Murray closed his remarks by quoting a memorandum respecting the dramatizing of history. He also read a statement of Dr. Thompson pertaining to cinematograph and radio.

Witness retired and will be recalled at the next sitting.

The Committee adjourned until to-morrow, Wednesday, June 10, 1942, at 10.30 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

WEDNESDAY, June 10, 1942.

The Special Committee on Radio Broadcasting met at 10.30 a.m. Dr. McCann, the Chairman, presided.

Members present: Messrs. Claxton, Douglas (*Queens*), Fournier (*Maison-neuve-Rosemont*), Graydon, Hanson (*Skeena*), McCann, Mullins, Rennie, Ross (*St. Paul*), Slaght, Telford and Tripp—12.

In attendance:

From the C.B.C.: Same as appear in the minutes of proceedings of June 9 and Mr. D. C. MacArthur, Chief Editor of the News Service.

From the Department of National War Services: Mr. Justice T. C. Davis.

From the Department of Transport: Messrs. Rush, Caton and Bain.

Major Gladstone Murray, General Manager of the C.B.C., was recalled and examined.

The witness filed a document entitled "Sustaining Programme Statistics" for the year ending March 31, 1942, copies of which were distributed, as well as copies of the 1942-43 Radio-Collège program, of which a short synopsis was given.

As requested by the committee at the meeting of June 4, Major Murray quoted and filed copies of the correspondence exchanged with respect to short-wave transmitting stations.

This correspondence, together with various memoranda, were ordered printed. (See appendix A to this day's evidence).

He also tabled the following for the information of the members of the committee:

1. Letter from the Chief Engineer to the Assistant General Manager, dated November 18, 1941, covering a letter from the RCA Victor Company Limited to the C.B.C. Chief Engineer, dated November 17, 1941.
2. Minutes of the Chief Engineer, dated November 20, 1941.
3. Note of E. L. Bushnell, General Program Supervisor, dated February 21, 1941.
4. Report on the Desirability of Establishing a Shortwave Station in Canada.
5. A Summary on Radio Transmission Path and the Earth's Magnetic Field by Mr. K. A. MacKinnon, dated January 16, 1939.
6. A Summary on Shortwave Reception in Canada from England by Mr. R. D. Cahoon, dated July 16, 1941.
7. Architect's Plan of Transmitter Building, dated November 24, 1941.

Mr. Murray read a telegram received on June 9, from Dr. Eric Estorick, FCC, Washington, D.C.

Dr. Frigon was recalled and examined on the possibility of obtaining transmitters.

Witness retired.

After discussion, Mr. Graydon, seconded by Mr. Ross (*St. Paul*), moved that, in view of the evidence adduced before it, this committee submit immediately to Parliament an interim report pointing out the extreme urgency of establishing at the present time a high-powered shortwave system in Canada.

A discussion followed.

The question being put on the motion, it was negatived.

The witness was further examined on government informational broadcasts, the appointment of an executive committee, and the functions of the General Manager and the Assistant General Manager.

Witness retired.

The committee adjourned until Friday, June 12, at 10.30 a.m., when Major Murray will be recalled.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

June 9, 1942.

The Select Committee on Radio Broadcasting met this day at 10.30 a.m. The Chairman, Mr. James J. McCann, presided.

The CHAIRMAN: Order, please; Mrs. Casselman and gentlemen, we have a quorum and we shall proceed with our meeting. There are a couple of communications here which perhaps might be incorporated in the minutes of this meeting. That would bring them in at a place where they will be of convenience. There is a letter of June 6th to the Clerk of the Committee from Mr. Rush:—

DEAR MR. PLOUFFE.—In compliance with the request made by Mr. Isnor at the last meeting of the Special Committee on Radio Broadcasting, I have pleasure in attaching hereto, a statement showing the approximate decrease in revenue which might be anticipated if the present private receiving licence fees are reduced to \$2 and \$1 from \$2.50 and \$2, respectively,

Yours very truly,

(Sgd.) WALTER A. RUSH,
Controller of Radio.

Then it gives in figures the gross income from issue of private receiving station licences, 1941-42, compared with the fee reduced. Is it your pleasure to have that printed in the proceedings of the next meeting? If so, we shall have it printed. (Carried.)

Gross Income from Issue Private Receiving Station Licences 1941-42 compared with income if fee reduced to \$2 and \$1 from \$2.50 and \$2 respectively:—

Licences issued 1941-42—

1,373,689	(\$2.50)	.....	\$3,434,222 50	
242,802	(\$2.00)	.....	485,604 00	
			<hr/>	\$3,919,826 50
1,373,689	(\$2.00)	.....	\$2,747,378 00	
242,802	(\$1.00)	.....	242,802 00	
			<hr/>	\$2,990,180 00
				<hr/>
Anticipated reduction in Revenue.....				\$ 929,646 50

(See appendix A to this day's evidence.)

The next is a communication from the Prince Rupert Chamber of Commerce dated June 2. It has been signed by A. Brooksbank, Secretary. It was sent to Mr. Olaf Hanson who has forwarded it on to the committee. Being of importance at this particular time I would suggest that it be printed in the minutes of to-day. The resolution reads:

Whereas this northern portion of B.C. continues to be without a reasonable radio service.

Whereas, in a letter from the Minister of Munitions and Supply, dated May 5, 1942, addressed to Olaf Hanson, M.P., it was held to be impossible to pay more than 10 per cent for the selling of radio licences. It also pointed out that "since the war period the funds allocated by parliament for the purpose of eliminating inductive interference has been kept at a minimum". We venture to suggest that both views are entertained due to a lack of full knowledge of conditions in this area.

Whereas, on November 18, 1940, our communication to the C.B.C. held that the minimum number of radios in Prince Rupert at that time was not less than 2,000 and that licences were sold for use in the city for 500 radios, leaving 1,500 radios that paid no licence.

Whereas a check-up of the Prince Rupert radio dealers within the past week shows that 800 radios were sold in the city in the past 16 months and a very conservative estimate is that there are to-day not less than 2,500 radios in use in Prince Rupert. If each paid a licence the revenue would be \$6,250.

Whereas, there could likely be collected another thousand licences outside of Prince Rupert between Prince George on the east, Queen Charlotte Islands on the west, Stewart to the north and Port Essington to the south, \$2,000 additional revenue making a total revenue of \$8,250.

Whereas by combining the office of radio inspector and that of licence collector you have a full-time job for one man.

Whereas the extra revenue derived by the method above suggested would pay the necessary salary, interest on the investment, depreciation and a profit, and this expense would all be gladly borne by the radio owners.

And whereas the population has very materially increased, owing to war conditions.

And whereas Prince Rupert has very little to offer these men in the way of recreation and amusement.

The committee recommend the following resolution be adopted:—

That the line now about completed to Prince George be extended to Prince Rupert, thus assuring C.B.C. broadcasts at all times, and that an inspector be appointed with the necessary equipment to check on interference in this area, and with authority to enforce the law as it now stands with regard to radio nuisances also that he be paid an adequate salary so that he could give his whole time to his duties as radio inspector and licence collector.

Also resolved that this chamber recommend that the local station be made a unit of the C.B.C. with adequate power to serve the northern part of the province and that copies of this resolution be forwarded to our member Mr. Olaf Hanson, the Radio Committee of the House at Ottawa, and to the regional supervisor at Vancouver, Mr. N. A. Olding.

Is it your pleasure to have that resolution printed in the minutes?

Mr. HANSON: I so move.

Mr. COLDWELL: I will second the motion.

The CHAIRMAN: Moved by Mr. Hanson and seconded by Mr. Coldwell that the correspondence and resolution as read be incorporated in the minutes.

Motion agreed to.

(See Appendix B to this day's evidence.)

The CHAIRMAN: I may say for the information of the committee that I have other correspondence here which I have not read, but it will be taken up at a later date when we have finished with Major Murray and Dr. Frigon. There are some communications here which state that certain people would like to appear before the committee. I think that we can arrange that at a later date and probably have what we might call a simultaneous group come at one particular date.

Mr. GRAYDON: Are those letters mostly dealing with people who want to appear as witnesses before the committee?

The CHAIRMAN: Exactly; and they are all the way from anonymous to bona fide.

Mr. GRAYDON: Perhaps those might be dealt with by the agenda committee first.

The CHAIRMAN: Very well. That being the case, we will proceed with the business of to-day's meeting. I think we were going to revert to questioning of Mr. Murray. Was that not the intention?

Mr. COLDWELL: I thought we were going to finish with Dr. Frigon.

The CHAIRMAN: Very well.

Mr. COLDWELL: We might as well finish with him.

The CHAIRMAN: All right. We will go on with Dr. Frigon.

Dr. AUGUSTIN FRIGON, Assistant General Manager of the Canadian Broadcasting Corporation, recalled.

By Mr. Coldwell:

Q. I wanted to ask you something about the apportionment channels, Dr. Frigon. I believe that under the Havana Agreement some dispositions of channels were made. Then I think there was some agreement, was there not, with Mexico regarding the clearance of channels, or am I wrong in that?—A. Well, they have an agreement to take care of the whole of the North American and South American countries.

Q. How many clear channels were allotted to Canada?—A. Well, in the class 1-A channels—that is, on which stations operate with protection to the border of the dominion—there are six.

Q. There are six?—A. Six what you might call free channels.

Q. What stipulations are attached to the allocating of these clear channels to Canada?—A. Well, I do not know just what you mean.

Q. Well, are they not to be used in a certain period of time by the corporation?—A. Oh, yes. They are to be used within five years after the implementing of the agreement.

Q. After the implementing of the agreement?—A. Yes.

Q. What date was the agreement implemented?—A. That is March 28, 1941.

Q. 1941?—A. Yes.

Q. So that we have till 1946 to use those channels?—A. Right, sir.

Q. What power may be used on those channels?—A. Fifty kilowatts.

Q. They are all 50 kilowatts?—A. Yes.

Q. What is being done with those channels now?—A. Well, some have been used. Of course, this is really a matter which is in the hands of the radio division. At the present time we have used 50-kilowatt stations at four points: Watrous, Toronto, Montreal and Sackville.

Q. Yes.—A. We are occupying the frequencies at all points where we have class 1-A channel. For instance, we have at present a 1-A station, CBF of 50 kilowatts, at Montreal; CBL, Toronto, of 50 kilowatts; CFRB, Toronto, operating a 10-kilowatt; CKY of Winnipeg, operating a 15-kilowatt and CFCN, Calgary, Alberta, operating a 10-kilowatt and CBV, Quebec, of 1,000 watts, or

1 kilowatt. So we are occupying those frequencies now and we can increase the power of those stations which are not up to 50 kilowatts up to 50 whenever we feel like it.

Q. Those are not all corporation stations?—A. No. There are two that are not corporation stations.

Q. What two are they?—A. CFRB, Toronto and CFCN, Calgary.

Q. I understood there was another.—A. CKY, Winnipeg; that is owned by the Manitoba government.

Q. That is three stations that have been allotted clear channels?—A. Yes.

Q. That can be occupied up to 50 kilowatts?—A. Right.

Q. Have they an understanding with you that they will be required to vacate those channels?—A. First of all, the frequencies are allocated annually and the Minister of Transport has always the right to make a transfer in each year.

Q. And there is no possibility of any misunderstanding that these stations have a vested interest in those channels?—A. No.

Q. None whatever.—A. No.

Q. So that they can be renewed at any time that the corporation needs those channels?—A. They can be turned over to the C.B.C.

Q. For its own purposes?—A. Yes.

Q. What is the wavelength of CBL?—A. CBL is 740.

Q. What about 730? Is that a clear channel?—A. 730 is a 1-B channel. I am sorry I have not got all my notes here. I am sort of lost without those notes.

Q. That is all right. There is no hurry.—A. 730 is a 1-B station occupied by CKAC, Montreal, a privately-owned station.

Q. The reason I asked that question or raised that question was—I raised it once before in the house and it is on record; I just looked it up this morning—that this is a fairly typical situation.—A. At present?

Q. Yes. Do your technical advisers or do you yourself consider that the distance between the two stations, 730 and 740 is sufficient to prevent interference, considering the power of the two stations?—A. Oh, yes.

Q. You do?—A. Yes. Decidedly so.

Q. I have thought myself there was some interference between them. That is why I raised the question.—A. No. Because where they meet, so to speak, the signal of both must be low enough to protect each of them.

Q. I see. There are one or two other points I want to clear up. What about the wavelengths of CKBI, Prince Albert, CFPL, London, Ontario, CHML, Hamilton, Ontario, and CJBR, Rimouski, Quebec? Are they in channels that are listed as clear high power channels?—A. I would not like to say anything here which would interfere with Mr. Rush's operations, and this is under him, because he is really responsible for it.

Mr. COLDWELL: Is Mr. Rush going to be here to give evidence?

The CHAIRMAN: If the committee wishes Mr. Rush to give evidence, he will come here.

Mr. COLDWELL: I would prefer to ask somebody who is thoroughly familiar with this. I do not want to ask the question of someone who is perhaps not quite as familiar with it as somebody else. All I am doing is trying to get a clear picture of the situation.

The WITNESS: My trouble at present is that I have not got all my notes here. I did not expect to go on this morning. I am saying that Mr. Rush is the man who is responsible for these things. I will give you an answer if you give me time to get my notes.

Mr. COLDWELL: I do not want to delay proceedings.

The CHAIRMAN: No. My understanding of the original intention was that we were to have a brief presented by Mr. Murray and then question him. Then we came to a day when Mr. Murray was not able to be here and we proceeded with Dr. Frigon. After Dr. Frigon presented his statement it was my thought that we intended to have Mr. Murray reappear and clean up matters up to date. I may have had the wrong idea about it, but I thought that was the procedure which we were going to adopt, that we would continue with Mr. Murray this morning and then go back to Dr. Frigon. However, it does not make any difference. If Dr. Frigon is prepared to go ahead to-day, it is quite all right.

Mr. COLDWELL: Is Dr. Frigon prepared to go ahead to-day?

The WITNESS: No. I did not expect to go on. I have not all my notes. I have all these notes here but they are not sorted.

Mr. COLDWELL: All I want to do is to get the answers from the best source possible.

The WITNESS: I can give these answers any time you want, if I come here with the proper notes. But again I would say that this is decidedly something that comes under Mr. Rush.

Mr. COLDWELL: I have asked this question now. I would suggest that we allow it to remain until you are prepared to answer.

The WITNESS: Right.

Mr. COLDWELL: I am quite prepared to do that.

The WITNESS: All right, sir.

The CHAIRMAN: We had better get this cleared up first. At the meeting of May 29, according to the minutes, "the committee agreed to call the assistant general manager, Dr. Frigon, at the next meeting. Major Murray's examination will be made at a subsequent meeting. It was thought that this procedure would enable the members of the committee to peruse the witnesses' statements before their examination." That was still the idea in calling Dr. Frigon, in order that we might have a printed review of Mr. Murray's statement and have an opportunity of going over it. Then we come along to the last meeting where we find the following:—

The Chairman: It is just one o'clock. Is it the wish of the committee to meet tomorrow?

Mr. Coldwell: I would rather not. I am going to be away to-morrow, but please yourself.

Mr. Slaght: Is Major Murray coming back? I have one or two questions I would like to ask him about shortwave.

The Chairman: Yes, he will be on hand.

Mr. Coldwell: I cannot be here to-morrow.

The Chairman: We will adjourn to meet on Tuesday, June 9, at 10.30 a.m.

The committee adjourned and it was my understanding that Mr. Murray was to be called. However, if Dr. Frigon is prepared to go ahead and it is the wish of the committee to follow up his examination, all right. But what I would aim at is having some continuity in the record of what we are doing, so as to make it more easily followed. What is the wish of the committee? Do they wish to go ahead with Dr. Frigon if he is prepared? In order to complete Dr. Frigon's statement, he has something here relative to the Havana Agreement that he would like to put upon the record, and it will follow consecutively what he has given before. I suggest that we proceed with that.

Mr. HANSON: Dr. Frigon was not through with his statement at the last meeting, was he?

The CHAIRMAN: That is exactly what we are going to continue. He did get through with it, but this is supplementary to it, as the result of some questions that were asked.

Mr. HANSON: I see.

The WITNESS: These are notes giving a brief description of the different classes of channels and division of frequencies under the Havana Agreement. If it goes on the record it will probably be of some help to members.

The CHAIRMAN: Exactly. Do you wish to read it, Dr. Frigon?

The WITNESS: No.

The CHAIRMAN: It will not be necessary for Dr. Frigon to read it; but with the concurrence of the committee, it will be published in the record following his previous statement.

(See Appendix C to this day's evidence.)

Mr. GRAYDON: It will be understood, of course, that we will have a full opportunity to examine Dr. Frigon at a later date?

The CHAIRMAN: Yes, certainly. I think if we proceed with Mr. Murray and get his examination over, then we can come back to Dr. Frigon and then we will have the record complete of these two examinations and the two cross-examinations. Will that be satisfactory to the committee?

Mr. COLDWELL: Yes. If Dr. Frigon did not come quite prepared to go on this morning, it would not be fair to go on with him, under those circumstances.

The CHAIRMAN: Yes.

The WITNESS: It was rather an involved question. There are a lot of lists and cataloguing and all that.

Mr. COLDWELL: Yes, I understand.

Major W. E. GLADSTONE MURRAY, General Manager of the Canadian Broadcasting Corporation, recalled.

By the Chairman:

Q. Are there any points with reference to your statement which you would like to supplement, Mr. Murray?—A. Yes.

The CHAIRMAN: Mr. Murray would like to make a further statement with a view to clearing up some matters that he has already dealt with. If it is the committee's wish, we shall allow him to proceed.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, I have one or two loose ends to clear up arising out of my evidence in chief. First of all, I should like to read to you an extract from the British Broadcasting Corporation's handbook for 1942 that has just arrived. It has to do with some comments that I made on our overseas unit. This is from page 16.

By Mr. Graydon:

Q. When you say it has to do with some comments you made, you mean comments you made in this committee?—A. Yes. The extract reads:—

Canada is particularly well served. We are fortunate in having with us in London a program unit from the Canadian Broadcasting Corporation, which contributes programs for Canada every night. The Canadians have their own recording van, which is constantly touring camps and hospitals and clubs in search of broadcasts that will let Canada know how her people are doing over here. Headed by H. Rooney Pelletier (who took Bob Bowman's place when he went back), the C.B.C. unit includes another broadcaster well known to listeners in Britain—Gerry Wilmot, one of the slickest commentators who ever faced the microphone.

Incidentally the draft suggests the hand of an old time colleague of mine on the B.B.C. staff who has made a hobby of attempts to puncture the Olympian dignity of the B.B.C. by the occasional injection of American slang and what he calls "Irishisms"; and I imagine he got by this time, with the use of "one of the slickest commentators." I should like to put on the record the names of our overseas staff, with their places of origin and the stations with which they were working before. Mr. R. T. Bowman has gone back as a staff commentator. They come from all parts of Canada, east and west.

The list is as follows:

C.B.C. employees who have been with or are with overseas unit.

Name	Place of Birth	Location with C.B.C.
R. T. Bowman.....	Prescott, Ontario.....	55 York Street, Toronto.
G. Arthur.....	Montreal, P.Q.....	Montreal Studios.
A. E. Altherr.....	Quebec, P.Q.....	Montreal Studios.
A. W. Holmes.....	Aurora, Ontario.....	CBY, Dixie, Ontario.
R. G. Wilmot.....	Victoria, B.C.....	Montreal Studios.
J. DesBaillets.....	Montreal, P.Q.....	Montreal Studios.
H. R. Pelletier.....	Ottawa, Ontario.....	55 York Street, Toronto.
J. Peach.....	Calgary, Alberta.....	CBR, Vancouver.
F. H. Wadsworth....	Montreal, P.Q.....	CBO, Ottawa.
C. Dostie.....	Scott, P.Q.....	CBO, Ottawa.
F. P. Johnston.....	Edmonton, Alberta.....	CBK, Watrous.
A. J. McDonald.....	Bowmanville, Ontario....	Toronto Studios.

Secondly, I should like to call attention to a publication of the University of Chicago Round Table. This is an account of a broadcast in co-operation with the National Broadcasting Company on May 17, 1942. The participants were Mr. William Benton, Mr. James Fly, head of the Federal Communications Commission, and Mr. Harold Lasswell. The relevant point is on the discussion of the danger in dealing with news and commentary under commercial conditions. I should like the committee to have copies of this. I would call your attention to pages 14 and 15. I shall now read briefly the relevant extract:—

Mr. Lasswell: Didn't you once make the point that to do this sort of thing you would have to free a good many of these men from their sponsors?

Mr. Benton: The sponsorship of these news programs raises serious questions that the industry itself foresees. The National Association of Broadcasters in February issued special rules covering these conditions, created in part by the war, and applied to the sponsorship of news broadcasts. I think that the analysts, commentators and news broadcasters are handicapped to-day from the standpoint of the war effort by their sponsorship. First, their pay depends upon the size of the audience they get. They compete with one another in the drive to get big audiences. Second, sponsors are sometimes subject to boycotts out of the way the news is handled by the commentator.

Here are some of the rules for news-program commercials as laid down by the National Association of Broadcasters:—

1. If possible, let the commercial be delivered by a separate announcer.
2. Don't use news terms like "flash" or "good news" in advertising commercials.
3. Don't say that the news is brought to the listener by the courtesy of a commercial institution. News is brought by news services.

4. Don't preface news with long commercials for the sponsor's product.
5. Don't interrupt a news story with a commercial.

I think it will be well worth the while of the committee to look through this very interesting account of the Round Table Broadcast of May 17.

Last week, or when I was here before, I dealt with the farm programs in particular, and I should like the committee to have an amplification of this in a memorandum which now should be circulated. It is "Pattern for Agricultural Broadcasting in Canada." It was referred to in my evidence on pages 220 to 222 of May 29.

As to a matter of definition of responsibility. I think I should make it clear that I have special responsibility for all religious broadcasts in Canada, including the broadcasting of religion on the French network; and in that connection I had the privilege of dealing directly with His Eminence the Cardinal. Then also I have specific responsibility for the broadcasting of French on station CBK.

I have already said something about the measures we took to present the views and opinions of farmers on social and economic problems, but I did not deal with labour, and I think that this is worthwhile. At the end of 1939, in co-operation with the Workers' Educational Association, we put on a series of forum broadcasts on "Labour and the Church," "Can Labour Co-operate Within Itself," "Labour and the Farmer," "Can Labour Co-operate with Employers," "Education and Labour," "Labour and Consumer Co-operation." In 1940 we had a series of talks arranged also with the Workers' Educational Association under the general title of "Labour Relations" and the following are examples of the problems discussed: "Unemployment Insurance"; "What's Labour to Me"; "Labour and Inflation." This year we have gone a step further. Early in April we began a series of forums arranged in conjunction with the Workers' Educational Association, to which I should like to pay a special tribute for extremely helpful co-operation. This series gives to listeners the opportunity of hearing social and economic questions discussed from the point of view of labour, in much the same way as they were able to hear the farmers' viewpoints expressed in the Farm Forum.

For the first four broadcasts those taking part were all members of the Workers' Educational Association with Drummond Wren in the chair. The subjects discussed were the following:—

April 6th—"This is Labour's War"

April 13th—"Production Increase"

April 20th—"Inflation"

May 4th—"What about Order in Council P.C. 8253?" (This particular Order in Council by the way dealt with the establishment of fair wage rates. In this discussion Borah Laskin, a Toronto lawyer, also took part.)

On May 11 the broadcast discussion came from Montreal where Robert Haddow, member of the Montreal Metal Trades Council, Paul Fournier of the Montreal Trades and Labour Council, Bernard Shane of the International Ladies Garment Workers Union, and Drummond Wren of the Workers' Educational Association discussed "Quebec's War Effort".

On May 18 we had a discussion on production in the automobile industry entitled "Labour Partnership for a Greater War Effort". Those taking part included: George Burt, Regional Representative of the United Automobile Workers; Robert Stacey, International Representative of the United Automobile Workers; Pat Conroy of the Canadian Congress of Labour, with Drummond Wren again presiding.

By the Chairman:

Q. Excuse me, Major Murray; but when you have broadcasts of this type that are on special current problems, are they paid for or do they give their services voluntarily?—A. There is no absolute rule. Sometimes they are paid and sometimes they are not.

Q. How will they run in percentages?—A. The normal practice is not to pay a group of this kind. But I can get the facts on that, if you like. Continuing:

On May 25 price control was discussed, and future programs will include "Answering the Workers' Questions about Price Control." Then on June 8, Donald Gordon, Chairman of the Wartime Prices and Trade Board, discussed matters with labour representatives.

On June 29 there will be a forum on "Wage Control and the Worker". This question will be discussed among members of the W.E.A. and a representative from the Department of Labour.

Public reaction to this Labour Forum series has been very encouraging. I should like, if I may, to read you extracts from typical letters, which we have received about the series. One reads:—

The Labour Forum series which you are running Monday nights are a great contribution to our war effort. The troubles of co-ordination and organization in industry are a major drawback in the production front.

Therefore, congratulations to the C.B.C. and the Workers' Educational Association for placing the bottlenecks before the public—and labour, management and the government.

The use of the national broadcasting system for this end, is of very real value to the war effort; and approaches the real aims of a national broadcasting system, in contrast to the "soap operas" and other commercial trash.

Another reads:—

The Labour broadcast, put on by the Workers' Educational Association is the brightest spot yet in Canada's war effort.

A broadcast like the W.E.A. one, will make people come out of their apathy. People are willing to face the facts if they are put before them. The C.B.C. has done a much better job by putting on "down to earth" programs than by having people talk in abstract, vague terms about what we've already done. The C.B.C. has served the war effort more by this one broadcast than by all the orators, eminent or otherwise, that we have heard so far.

There are others which go on in the same vein.

I should now like to call attention, as an example of handling current problems of interest, to what we did in connection with this United Nations Air Training Conference from May 18 to May 22.

1. On the Sunday preceding the opening of the conference our weekly series "Guest of Honour" was devoted to talks by the Right Honourable Malcolm Macdonald, High Commissioner to Canada for the United Kingdom and Captain the Right Honourable Harold Balfour, Parliamentary Under-Secretary of State for Air, both members of the United Kingdom delegation.

2. From the opening ceremonies the C.B.C. broadcast the speeches by the Prime Minister, Mr. Mackenzie King and the delegate from the United Kingdom, Captain the Right Honourable Harold Balfour, Parliamentary Under-Secretary of State for Air and the Honourable Robert A. Lovett, Assistant Secretary of War for Air, U.S.A. War Department.

3. In addition to these speeches which were broadcast, we took steps to make records of other speeches made at the conference as set out below:—

Mr. David de Waal Meyer, Accredited Representative to Canada from South Africa.

Sir William Glasgow, Australian High Commissioner.

Baron Silvercruys, Minister to Canada—Belgium.

Major General T. H. Shen, Commander, Chinese Air Forces in the United States.

Captain Alfred Leondopolous, Naval Attache, Washington—delegate from Greece.

Mr. Daniel Steen, Norwegian Minister to Canada.

Hon. Frank Langstone, High Commissioner, New Zealand.

Colonel C. Giebel, Netherlands Air Force.

Group Captain Stefan Sznuk, Poland.

Group Captain Alexander Hess, Washington Legation, Czechoslovakia.

Dr. Cinkar, Yugoslavia.

Major C. G. Power, Air Minister for Canada.

Excerpts from these were recorded and sent to the offices of the British Broadcasting Corporation in New York who arranged for them to be beamed to London for world-wide distribution.

4. A C.B.C. observer, Mr. Willson Woodside was on duty throughout the conference. During the week he broadcast a narrative account every night including in his broadcasts interviews with the following delegates to the conference:—

Monday, May 18—Air Marshal G. O. Johnson, Deputy Chief of the Air Staff, R.C.A.F.

Tuesday, May 19—The delegate from China—Major-General T. H. Shen, Commander, Chinese Air Forces in the United States and the delegates from Czechoslovakia, Group Captain Alexander Hess, Washington Legation, and Wing Commander Jan Ambrus, Czechoslovakian Military Mission, Montreal.

Wednesday, May 20—Major-General Barton K. Yount, Commanding General of the Flying Training Command, United States Army Air Forces.

Thursday, May 21—The delegate from the Netherlands, Major-General L. H. van Oyen, Royal Netherlands Indian Army.

Friday, May 22—The delegate from Belgium, Lieutenant Andre Wodon and the delegate from Poland, Group Captain Stefan Sznuk.

5. In addition on Wednesday night there was a special talk by Air Vice-Marshal Harold Edwards, Air Officer in Chief, R.C.A.F. Overseas, on the work of the R.C.A.F. in England.

6. There was also a special talk by Gerald Noxon on North American Air Training on Saturday, May 16—11.15-11.30 p.m. E.D.T. Mr. Noxon had just completed a tour of the U.S. Army Air Training Centres in the Southern States.

Cooperation with U.S. networks

Some of our programs received distribution in the United States on the Mutual network.

In addition both N.B.C. and the Blue Network sent up special representatives on the invitation of C.B.C. Mr. Maynard Stitt of N.B.C. broadcast a special interview with Major-General Yount, as well as broadcasts on Monday and Tuesday for N.B.C.'s regular News Roundup program.

Mr. Morgan Beatty, military analyst of the Blue Network, broadcast his regular program on Monday and Tuesday nights from Ottawa in which he made special mention of the Air Training Conference.

International distribution

Two special five-minute talks on the Air Conference by Willson Woodside and Percy Philip were beamed to London.

In addition B.B.C. was provided with 500 words on the conference for B.B.C. News Service.

N.B.C., International Division, was given recordings of talks by delegates in their native languages—Chinese, Polish, Belgian, Czech and Free French.

These latter talks were shortwaved to the countries concerned by N.B.C.'s International Division in cooperation with the Coordinator of Information Office in the United States.

Now I should like to deal next with an amplification of what I have said already about schools broadcasting. Since I gave my evidence we have completed plans for next season, and it means an important development in this work. Projected arrangements are as follows:

1. *National School Broadcasts.*

For the first time we are going to have national school broadcasts. A course of eighteen broadcasts to schools to go on the National Network on Fridays (probably 10 a.m. to 10.20 a.m.) from October 9, 1942, to April 9, 1943. This course will be aimed at elementary schools, grades 6 to 9, and will be designed to strengthen national consciousness and to increase the children's awareness of and pride in the achievements of Canadians. The programs will be presented in dramatized form in three sections, as follows:

(a) "*Men and Women of Canada*"—Hero stories of achievement (past and present) through the exercise of the cooperative spirit and the sense of social responsibility. Twelve programs. The C.B.C. has invited the provincial departments of education and the Canadian Teachers' Federation to participate in this series by sponsoring one or more programs each. On this basis the C.B.C. would provide free time on the air and free studio and production facilities, whilst the departments will be asked to pay for the cost of scripts and acting talent.

(b) "*National Occasions*"—Four programs presented at monthly intervals featuring significant aspects of life in Canada that can help interpret one part of the country to the rest of the dominion. This suggestion comes from British Columbia which has offered to contribute, as an example, the story of Salmon Spawning in British Columbia. The cost of these "National Occasion" programs will be borne by the C.B.C.

(c) "*Citizenship Broadcasts*"—Six programs to be sponsored by the Canadian Council of Education for Citizenship. These programs to be along lines similar to the series "Birth of Canadian Freedom" so successfully presented by the Council last winter.

In order to make sure that the National School Broadcasts will be heard in every province, British Columbia and Nova Scotia departments of education will adjust their own Provincial School Broadcasts so as to set free Fridays for the National School Broadcasts. To meet the time difficulty the national programs will be rebroadcast in the various regions to suit local conditions.

By Mr. Graydon:

Q. Have you made arrangements with the departments of education in all the provinces on this?—A. No, not with all of them yet. I will just come

to that in the next stage. British Columbia, Nova Scotia and Saskatchewan are three that we have arranged with now, but that is dealt with as I get to the end of this memorandum. Continuing:—

In the case of French Canada, the Radio Collège (Education Department of the C.B.C. French Network) is being asked to contribute two programs dramatizing the lives of two French-Canadian heroes.

2. Regional School Broadcasts

(a) British Columbia—In collaboration with the C.B.C. the British Columbia Department of Education will again present a half-hour school broadcast each week day, Monday to Friday, inclusive. Four of these will be Provincial School Broadcasts, the fifth a National School Broadcast.

(b) Prairies—The departments of education of the Prairie Provinces will take one series of school broadcasts per week, originating from British Columbia, and in addition, the National School Broadcasts.

(c) Nova Scotia—The Nova Scotia Department of Education will present five broadcasts per week, based on the prescribed course of study, and three supplementary programs. One of the latter will be the proposed National School Broadcasts.

(d) Quebec—In the Province of Quebec, the Radio Collège programs occupy 271 broadcasts and cover a very wide range of material. I think it might interest the committee to have copies of this circulated in that connection. It sets out the syllabus, and deals with the various subjects covered in that. If we have not got extra copies now, we might have them for the next occasion.

(e) Ontario—The position here is still in the formative stage. The Ontario Educational Association is waiting to hear from the Department of Education about the fate of a proposal for financial support. If this grant is confirmed, the Ontario Educational Association will like to sponsor an experimental series of broadcasts directed to Ontario schools. Probably twelve, six to elementary and six to secondary schools.

3. School of the Air of the Americas: Columbia Broadcasting System

The C.B.C. will take on the National Network (a) the Thursday series "Tales from Far and Near" (dramatizing children's books) and (b) if possible, the Monday series "Science at Work" (the Scientific Method in Human Activities).

The C.B.C. will contribute, on behalf of Canada, to the School of the Air of the Americas, four programs in the "Tales from Far and Near" series; one in the science; one in the music series; one in the New Horizon series. This makes seven programs; and there may be one more.

This, incidentally, has very wide distribution because it goes all through South America as well as North America.

4. Inter-American University of the Air: National Broadcasting Company, Incorporated (formerly the Red Network).

For that we are contributing "The Story of Canada", also for Pan-American distribution on a scale similar to that of the School of the Air of the Americas.

By Mr. Graydon:

Q. Are you leaving the question of school broadcasting now, Major Murray?—A. Yes. Unless you would like me to continue.

Q. The only thing I was going to ask you was this: have you any means of knowing how many elementary schools in Canada are equipped with receiving sets?—A. I think that was given in my previous evidence, as a matter of fact; there was an estimate.

Mr. COLDWELL: It was for some of the provinces.

The WITNESS: Yes. The survey is not complete. But all the information that is available was given in my previous evidence.

Mr. GRAYDON: I am sorry, but I apparently missed that. Speaking with reference to these school broadcasts, it seems to me that one of the things that is very essential, so far as our educational systems throughout Canada are concerned, is the improved training of our children along democratic lines. It has been a subject in which I have personally been very much interested for a number of years. In other countries, one of the most fertile fields for the sowing of the seeds of the theories of government which those countries believe in has been the minds of the children at school. It always appeared to me that if democracy was worth while fighting for—which it is—then it was worth while educating for in a major way among our younger people of impressionable age. I realize—and no doubt you do too, Major Murray—the difficulties which in the past may have faced teachers and others dealing with matters which are closely related to politics, if you like to call it that. Some teachers perhaps are in the position where they are rather fearful of being charged with belonging to or perhaps sponsoring some political party, in discussing such things. It seems to me that we have arrived at a time now in Canada—and this is what your point has impressed upon my mind at the moment—where I think a major effort must be made across the country to teach our children of impressionable school age the real underlying factors of democracy and how it works; because in the next fifteen or twenty years these boys and girls will be the class of people who will be charged with the carrying on of democracy in this dominion. There are many subjects at school that I feel are not as nearly as important in this changing world, as a complete realization and a complete knowledge of what democracy is and how it should be most efficiently worked. I think that the C.B.C., along with the departments of education, might give even more attention than has been indicated here, to educating our children along democratic lines and as to how democratic institutions work. In the early days of a child's life he or she learns certain fundamental principles which are carried with it throughout its life. I am quite certain that the move made to teach democracy—sometimes it is called civics—is a most important development that should have the attention of the departments of education and also of the broadcasting corporation. I am glad to hear Major Murray say that some move has been made in that direction, because I should like to see the children of our schools so thoroughly democratically conscious that in the future of this country and the democratic nations there will be no danger of other theories creeping into the minds of the youth of those various countries. I want to say that I think that move is a very commendable one. I am only hopeful that your program will carry the cause very much further than what is presently anticipated.

Mr. COLDWELL: If I may, I should like to add a word to what Mr. Graydon has said. I think that the broadcasting corporation can do a great deal to encourage the study of democratic institutions and so on and the promotion of democracy in Canada. I think that broadcasts such as Major Murray has outlined this morning go a long way towards achieving that end. I know something about teaching democracy in schools. I know something about teachers who take part in the democratic activities within a community. I think probably most of you are aware of the fact that I myself was dismissed from my position because I was active in the field of community affairs. But I think that fundamentally the problem in the school is not the teaching of democracy. I think it is the practice of democracy in the schools. I think that our teachers have to be encouraged to encourage the students in the schools to a greater measure of self government, and to adopt as their form of discipline the kind of discipline we have had in many of our schools. I think that the German schools, with their

iron discipline, promoted the regimentation of Germany to a greater degree than even perhaps the actual teaching of the Nazi and Fascist ideas. The opposite is the kind of atmosphere we should encourage in our schools. And I know this from personal experience, that even young children respond to that kind of encouragement, that kind of discipline. I never had any trouble in the large schools with which I was associated, in regard to discipline. I used to feel very proud when the inspectors, the normal school people, used to come and say that the tone of the school was unusual in that regard. We used no corporal punishment except under very rare circumstances; and the youngsters were taught to a very large degree to govern themselves. I think the broadcasting corporation can do much to promote such a democracy, and I think right back in the schools is the place to do it. Secondly, I think that the public has to realize that a teacher cannot teach democracy unless the teacher is free to practice his democratic rights in every field in which he cares to practise them. Absolute freedom in that regard is essential to the democratic ideals upon which this country is founded. I thought I would add that, because while I believe the corporation can do much, I believe that right back in the homes, and the schools of the community is where the problem of democracy really has to be solved.

Mr. CLAXTON: I should like to follow those remarks up by making a suggestion to the witness and asking his view on it. I think everyone would agree with Mr. Graydon in his statement as to the importance of this, and also with Mr. Coldwell that it is necessary to practise as well as to preach. I want to put to Major Murray this concrete suggestion as to the technique that might be followed which would do both things; that is, to follow the technique which the C.B.C. has used, I think, so successfully in connection with farm forum broadcasts, particularly related to the practice of the democratic and parliamentary system, by some such device as having *Hansard* clubs, established among the senior students in schools, groups and universities and also among adults, who would be allowed to form groups throughout the country, and who in those groups would be led by discussion over the air, through something such as the farm forum broadcast. Those groups might study the proceedings in parliament as found in *Hansard* from period to period, such as each fortnight, being led through the debates, then take an initiating part themselves in supplementing the debates. I know of one such group in my own constituency that has met every fortnight during the session of parliament, and during the general election of 1940 while parliament had been in session. They have met and one member has reported on the events in parliament during the previous fortnight. This then lead to a discussion; and in that way the members there have a sense of participation in the affairs of parliament and of the nation. They thus see what parliament is up against and what the government is up against, and incidentally they can make exceedingly useful suggestions to their own local member. They have a sense of participation in the activities of parliament that cannot be got just by reading the newspapers or by hearing broadcasts. So I suggest that this technique which has been found so valuable in connection with Farm Forum Broadcasts might be adopted in connection with the teaching and practice of parliamentary democracy. I should like to have Major Murray comment on that, if he would. There is just another suggestion that I have, also arising from Mr. Coldwell's remarks. In my own constituency there is a school, a commercial high school, which has established among the boys and girls there self-government on the parliamentary system. As far as I know, that has been working exceedingly well in that school. They actually have a cabinet with boys and girls chosen by the prime minister, following the parliamentary system. I just bring that forward to indicate that there are all kinds of techniques that are being practised throughout the country that might be extended in every possible direction; and in that work broadcasting can certainly play a most useful part, providing it is supplemented by meetings and by written material so that people have a sense of participation and some sense of continuing values.

The WITNESS: Mr. Chairman, I think that is an excellent idea. My own experience on both sides of the Atlantic suggests that it is highly important to have group organization behind the broadcasts as well, and also important to have the support of the printed word. This idea of *Hansard* groups is an excellent one, I think, and I shall see that we explore it at once. On the general subject of our contribution in making people more conscious of democracy and what it stands for—

Mr. COLDWELL: Before you leave the point of *Hansard*, may I say that I was talking to Honourable Walter Nash the other day for a few hours, and I was asking him about the broadcasting of debates in the Commonwealth of New Zealand. Of course, the principal debates are broadcast there.

The WITNESS: Yes.

Mr. COLDWELL: He said that a survey of listeners in New Zealand had shown that they were the most popular broadcasts of the discussion type held in the country, that it was amazing the number of people who turned on their radios to hear the prime minister, the leader of the opposition or some other outstanding member of parliament, speak in the house; that these debates were broadcast regularly during the session and that it had awakened a greater interest in democracy and parliament in our sister dominion. I think, in addition to the idea of studying *Hansard*—and I know the value of that—some consideration might be given to broadcasting the principal debates in the house, if our parliament is not too conservative to allow it.

The WITNESS: This matter has been considered—

Mr. COLDWELL: And when I say “conservative,” I mean conservative with a small “c.”

The WITNESS: This matter has been considered several times in the United Kingdom and a certain amount of evidence was produced from New Zealand; but the objection there was that it would interfere with parliamentary proceedings and would lower the standard of debates.

Mr. COLDWELL: I think it would raise it very considerably.

The WITNESS: Our problem would be, of course, to find the time and the frequencies for it. But I think the microphone certainly should be in both houses of parliament for important occasions.

Mr. COLDWELL: Yes.

Mr. GRAYDON: Of course, in order to give the public any clear conception of legislation, you would really now need to broadcast cabinet council rather than parliament.

The WITNESS: In dramatized form.

Mr. TRIPP: Do not most provinces have a text book on citizenship which is now being taught in the schools, Mr. Chairman?

Mr. COLDWELL: Did you ever read one of them?

Mr. TRIPP: Yes.

The CHAIRMAN: I have seen some, yes.

Mr. TRIPP: I know that, while they are not perfect, in Saskatchewan they do cause a lot of discussion on our parliamentary system and our democratic form of government; and I know that most of the larger schools anyway have already formed these little discussion groups, and I think the ground work is already established for the teaching of democracy right in the schools. I do not know whether Ontario has it or not. They might be behind the times, but in Saskatchewan they are fairly well up in this connection.

Mr. GRAYDON: I am glad you said “might” because they are right up abreast of the times in Ontario. But the question that Major Murray raised there with regard to group discussions is of tremendous importance. I do not wish to

elaborate on it especially, but in my town we have had a non-partisan discussion group of some fifteen members who have met every two weeks for the past ten years. I think that those of us who belong to that group have really got more out of the discussions on current affairs than almost anything else we have come in contact with. Along with broadcasting, it seems to me that the group idea is a very excellent suggestion. In the old days, of course, when they had the debating clubs throughout Canada and they had mock parliaments, many public men got their first education along public lines in the old mock parliaments in the old public speaking contests. But due, of course, to changes in our whole social system, as it has moved and developed, that has disappeared. I think something must take its place. Perhaps the C.B.C. and our educational system must bring their ideas and their operations up to date to take care of the changing developments and the changing movements so that the germ of an idea of elementary education in democracy may be carried on in these changing conditions.

Mr. CLAXTON: What is needed is that the modern device of broadcasting should be brought in to modernize the old corner-store discussions around the stove.

Mr. COLDWELL: The cracker barrel club.

The WITNESS: Yes, quite. This Canadian Council of Education for Citizenship is an excellent move in that general direction. So far as the general policy is concerned on this matter, apart from the application of it, I should just like to read some remarks which I made at a meeting of the Canadian Club here some time ago. I took for my title "Broadcasting—Everybody's Business". This is what I said:—

May I end by emphasizing the importance of broadcasting in a dynamic democracy both in peace and in war. It is trite to say that we are still in the experimental stage. A new art form does not emerge in five years or ten years. The fact that mistakes have been made and will be made is not so important as the fact that these mistakes are recognized and real effort made at correction. To this end, an informed critical and alert public opinion is essential. National broadcasting should always be administered, in the larger conception, as a Ministry of the Arts. For the moment all thought is on how best to help the war effort. Afterwards, the C.B.C. will face two main sets of tasks—one internal and the other external. In Canada we should be an influence in retaining, consolidating and deepening the sense of national unity. Likewise, in the Commonwealth, we should lead the way in the maintenance of constructive cooperation and solidarity. Later on, there will be the other great task, on the external side, concerning which there was discussion with United Kingdom and United States authorities while I was in London in August and September last. In the difficult period of reconstruction and pacification, the broadcasters of the free world must maintain the effective unity born of war. The C.B.C. should be in a position of unique advantage in the post-war world. In the pooling of artistic and cultural resources, Canadian radio is destined to play an important, perhaps a decisive part. By all means let our radio remain everybody's business.

I am very grateful for these suggestions and we shall follow them up.

There was a question asked by Mr. Ross on page 241 on the problem of estimating audiences and so on, and I have prepared an answer which I should like to read:

On any station the number of listeners to educational and sustaining programs fluctuates considerably; it is not generally as great as that for the more popular types of commercial entertainment. There are, however, notable exceptions.

We have to look on the C.B.C. audience from a national point of view. There are, shall I say, specialized programs—prestige programs, if you like—which appeal only to particular groups of people. They are something of the caviare of broadcasting.

I have mentioned elsewhere my general opinion of surveys. One of the most widely used surveys in Canada, for instance, does not include a study of CBA at Sackville and CBK at Watrous—presumably because the audience of these stations is difficult to reach by telephone; but their omission leaves a big gap in the national picture. As a matter of fact, any commercial survey limits its activities to the urban audience. To illustrate the difficulty of making an accurate estimate, I will tell you that this particular survey shows that in one large city 58 per cent of the sets in use were tuned on a certain Sunday evening to our drama series "Jalna"; in another large city only about 10 per cent were tuned to that program; perhaps because an unusually popular American program could be picked up in the latter city, or it may be that the tastes in the two cities vary.

A special survey undertaken to judge the audience for a talk by Mr. Donald Gordon on December 17 showed that he had 52·3 per cent of the listeners.

646,934 sets were supposed to be in use, so that there were over 320,000 listeners even if only one person was listening to each set.

On one occasion over 90 per cent of the sets in North Bay were tuned to the propaganda program "Carry On, Canada".

Eric Knight's talk provides another example. We received 20,000 requests for copies of the talk, and the Department of Public Information distributed close on a quarter of a million copies as a result of further requests.

18,000 copies of the series of talks "We Have Been There" were sold at 25 cents each.

These are indications only; I cannot tell you in exact figures the size of the audience for any particular program; but referring to the common sense standards of judgment, we can get an approximate idea.

By Mr. Claxton:

Q. One factor which may enter into the size of a listening audience to any talk, of course, is the competition that the talk has to meet. I have heard it said that, in the very excellent series "Guest of Honour", the guests of honour have to compete with one of the most popular commercial programs in North America.—A. Yes.

Q. Is that the fact?—A. Yes. That is true. But it is a very good listening time, of course. It is true it has stiff competition but I think that the "Guest of Honour" series is gaining ground.

Q. What would happen if you changed the time so as not to have that competition? With what program does it compete?—A. Fred Allen.

Q. At nine o'clock, is it?—A. Yes. It runs for an hour. It is the best listening time in the week, nine o'clock on Sunday nights. We would be reluctant to change the time.

By Mr. Coldwell:

Q. Another factor would be the popularity or unpopularity of the program which immediately preceded the talk. If the program is unpopular, people will usually tune in to some other station.—A. That is a matter for consideration every time a program schedule is organized. I myself would be very reluctant to move "Guest of Honour" off nine o'clock, even with the competition.

By Mrs. Casselman:

Q. That is nine o'clock in the east?—A. Yes, in the east. Nine o'clock is regarded as the best listening time right across Canada; nine o'clock in the east.

By Mr. Graydon:

Q. Any time?—A. No; on Sunday nights.

Q. During previous discussions in the committee the point came up, and was dealt with rather comprehensively in the evidence, with respect to governmental informational broadcasts, if you like. The Minister of National War Services, when he was on the stand, was questioned rather freely with respect to that, as was Mr. René Morin, chairman of the Board of Governors; and you had the privilege of listening to that evidence. In Canada it appears fairly clear, I think, from the evidence that was submitted that so far as the government is concerned, while we have a Bureau of Information here, the Bureau of Information is not the channel through which the various governmental departments make their negotiations in order to canalize their news for dissemination over the Canadian Broadcasting Corporation. Some of us, I think, brought out the point that it might lead and perhaps does lead to some difficulty, some confusion and conflict with respect to the various departments that desire to broadcast. The Minister stated that some move had been made towards a co-ordination of the information that was to be broadcast. An inter-departmental committee was set up under the chairmanship of Mr. Justice Davis, the deputy minister, but it was purely an advisory committee. As I take it from the evidence that was adduced, if the Wartime Prices and Trade Board, the Department of National Defence, the Department of Agriculture or the Department of Labour desires to go on the air at any special time, they do not bring their request in to the Bureau of Information or in to the Department of National War Services necessarily, but make their arrangements direct with the general manager of the corporation, yourself. The reason I was anxious that that situation should be explored was that in the United States, since January of this year, a change has been made with respect to informational broadcasts from government departments. I am quite aware of the difference which exists between the radio set-up in the United States and that which exists here, but in so far as we are concerned in Canada the point which was raised at that time I do not think can be viewed in a different light, even having regard to the different structure, one being private and the other being publicly owned. In the United States in December, through the National Association of Broadcasters, through the various networks, an application was made to the United States government asking for a clearing house for all governmental information that was to be given of the nature which I have just referred to—that is, of the Wartime Prices and Trade Board, Department of National Defence and those other numerous departments. William B. Lewis was appointed as head of the branch designated as the radio division of the Office of Facts and Figures. So that as I understand it now, the practical result of that change is that all government informational broadcasts come through the radio division of the Office of Facts and Figures; then the time is measured, and the days on which the broadcasts shall take place are all arranged from that office to the various broadcasting corporations. I should like you, Mr. Chairman, if you would, to give the committee some information as to just how, in practical words, the Wartime Prices and Trade Board, if you like, actually find time on the C.B.C. Do they arrange it directly; and if so, who is it that actually allocates the time and the date upon which these broadcasts are made from the various departments?—A. Well, there is no rigid organization. There is, of course, actually now in process of development, the establishment of a point of reference for the determination of government policy on the relative importance and duration of campaigns, this point of reference to work equally with the three publicity media, so that the same message can be given simultaneously by all radio stations, by the press and through the films.

Q. Quite.—A. That point of reference is now being developed. As I understand it, it is emerging from the organization of this inter-departmental committee. We have not had any rigid organization in the past.

Q. Have you felt the need of it?—A. Well, yes, quite definitely; and it has evolved in the light of experience, the need of it, because in the absence of this properly constituted point of reference, there is bound to be a certain amount of waste. There is also bound to be overlapping. At present or up until now we have had to adjust things as best we could, in the light of circumstances. But the accumulation of campaigns is a matter of some concern, and it requires this point of reference which will lay down government policy.

Q. Has any definite government policy been laid down to date with respect to that?—A. It is now being discussed, and I believe this thing has been approved.

Q. Of course, we have been in the war for two and a half years.

By Mr. Coldwell:

Q. Was any attempt made in the first, we will say two or three months of the war, to do what Mr. Graydon suggests—co-ordinate the various departments of information?—A. Well, I am not sure about that. We have dealt with each department, and with the Department of Public Information, and our relations have been amicable. There has been no conflict. The only anxiety I have had is that there are occasions on which perhaps too many campaigns are run simultaneously.

Q. At the beginning of the war—for example, in the first two or three months—did the Board of Governors consider this particular angle of information?—A. As I recall it, they simply gave me a general instruction to go ahead and do the best one could.

Q. There would appear to be a time when the board did not function at all; I mean, during the first two or three months of the war it seemed as though—to me at least—the instructions to the corporation, through you, were mainly through the minister, Mr. Howe, who was minister at the time.—A. I doubt if that would be an accurate description. It would be more accurate to say there was consultation than to say there were instructions at the beginning of the war; because we were facing all kinds of hypothetical dangers and situations of various kinds. But I should say it would be more accurate to say there was consultation, not instruction.

Q. Was there any suggestion that the Board of Governors should be relieved of responsibility in this field during the war, when the war broke out?—A. There was some discussion about following the example of the B.B.C., but that was abandoned.

Q. That was abandoned?—A. Yes.

By Mr. Claxton:

Q. At what date was that abandoned, do you know?—A. The discussion?

Q. Yes.—A. As I recall it, it was at the end of 1939.

By Mr. Graydon:

Q. There was no meeting, as I recall it, of the Board of Governors immediately after the outbreak of war for the formulation of policy with respect to the matter of C.B.C. broadcasting, was there?—A. I should like to refresh my memory about the date.

By Mr. Coldwell:

Q. You said a moment ago there was some thought of following the British precedent in regard to the B.B.C. Did the Board of Governors consider that?

Was that their thought?—A. I do not actually recall how that originated. I know there was some discussion in the board. I do not know who originated it. It was discussed also in political circles.

Q. When was it discussed?—A. At the end of 1939.

Q. But the war had then been on for four months.—A. Yes.

Q. And when did the thought arise that perhaps the Board of Governors might be relieved of that responsibility?—A. I do not know.

Q. Was it at the end of August?—A. I do not know that that actually reached the point of a serious proposition. It was only discussed.

Q. Who discussed it, may I ask?—A. It was discussed, I think, in the board; yes.

Q. When did the board meet?

Mr. GRAYDON: October 16, 1939.

The WITNESS: Yes. And there was constant consultation with Mr. Brockington, the then chairman, and the other members of the board, although the board did not meet very often.

By Mr. Coldwell:

Q. Was it Mr. Brockington's suggestion that that might be done?—A. No. He raised the matter but I cannot say exactly who originated the idea; but it was discussed.

By Mr. Graydon:

Q. It was discussed at the Board of Governors?—A. Yes.

Q. Does anything appear in the minutes of the Board of Governors in respect to that?—A. I will have to look up the minutes. I have not got them here.

Q. Let us get this thing clear now. Do you mean that the minutes of the Board of Governors are not here every day the committee meets?—A. Well, I take the view that that is a matter for the board itself, and I would have to have permission from the chairman to consult them. I do not have access normally to the minutes of the Board of Governors.

Q. No. You have something much better than that. You sit right in on the meetings of the Board of Governors, and you know what goes on at all of them, which is much better than simply having access to a synopsis of what has gone on. I do not expect you to recollect every point that was raised. But I cannot conceive of why the minutes of the Board of Governors are not before this committee at all times; because there may be, at any moment in the evidence, something that makes it necessary for us to have an excerpt from the minutes of the Board of Governors. Surely after Mr. Morin left the witness stand, that did not mean that all our access to the Board of Governors had disappeared, because it certainly was not my understanding that that was the case. Had that been the case, we would have cross-examined Mr. Morin definitely on the minutes of every meeting from 1939 on. I think there must be many of these minutes that deal directly with the points that will be raised here. I am not assessing any responsibility on Major Murray, because he is not a member of the board. But certainly the secretary of the board is here and I think, Mr. Chairman, that you ought, from now on, to give instructions to the secretary that these minutes be here so that they can be produced at the direction of the committee from time to time where a point such as this arises where the committee has to have some additional verification with respect to the points that are raised.

By Mr. Coldwell:

Q. We have had the minutes here?—A. Yes. When the chairman of the Board of Governors was here. I may be wrong in this, but I have not had them along since then, but they can be obtained.

Mr. GRAYDON: I do not think it would be fair to assess Major Murray with this responsibility. I think it just a misunderstanding. I do not want to be too dictatorial about it, but I think that we must insist that these minutes be here; because there will be, from time to time, reference to them. While the committee has decided that there shall not be a wholesale reference to the minutes or that the minutes shall not be tabled, at the same time we have never at any time given up our rights,—and they have always been reserved—that we can cross-examine upon these minutes and have excerpts read from them where they are relevant excerpts for the purpose of the evidence.

Mr. COLDWELL: This is rather an important matter, and we should have a very clear statement as to what really did happen in connection with the first two, three or four months of the war.

The WITNESS: Well, I shall study the records very carefully and bring forth these facts.

Mr. CLAXTON: I should like to refer back to a question that was up for discussion before and that is with regard to the co-ordination of informational services of the various agencies with the government. I think it is pretty fair to say that already the evidence has shown that there is room for a great deal of improvement in that respect, and I think the present witness has stated that too. I think it is important that what is being done in the United States, despite the fact that they entered the war two years after us, should be put even more clearly before this committee. I should like to read "Plans for the co-ordination of the Government's Wartime Use of Radio" which is an official O.F.F. statement. It reads:

"Networks, stations, and program sponsors were being overwhelmed by a flood of requests for co-operation from dozens of government agencies, both national and local. There was no way of knowing the relative importance of the various requests. Government appeals were being overemphasized; basic war information was not being emphasized enough.

In December the radio industry asked for a central clearing point within the government. In January the President designated the Radio Division of the Office of Facts and Figures, under William B. Lewis, as such a clearing point. There follows an outline of the O.F.F. plan:—

1. A 'Network Allocation Plan' for the systematic allocation, through O.F.F., of all government messages used on network programs, sustaining and sponsored. One result of the plan will be to reduce the quantity of demands coming to the producer of each sponsored and sustaining program, and to increase the quality of the government messages his program carries. In addition to eliminating confusion and duplication, the plan will place the responsibility for deciding on the relative importance of various government messages where it belongs—with the government.

2. Because the program schedules of local stations vary so greatly it is impossible to extend to them the Allocation Plan developed for network programs. Instead there will be sent out, at two-week intervals, a Radio War Guide, indicating the relative importance of various government messages which local stations may wish to carry. With each Radio War Guide will go an advance Network Allocation Chart, so that each station manager may plan his own daily schedule of government announcements to avoid duplication.

3. O.F.F. will act as clearing point for all government requests for network radio time—for special government programs, that is, as distinguished from the information messages on established programs covered by the Allocation Plan.

4. On the one hand O.F.F. clears official government information and requests; on the other it co-operates with the radio industry in the latter's work of interpreting the war to its listeners.

There are several things, however, which O.F.F. does not do. It does not concern itself with the supervision of spot war news as reported over the air; it does not concern itself with the free speech of radio as expressed in forums; it does not produce programs of its own, nor direct the production or suppression of others."

Mr. ROSS: What is that statement? What is it from?

Mr. CLAXTON: It is issued by the Office of Facts and Figures, officially.

Mr. COLDWELL: What does it correspond to in our country—the Information Bureau?

Mr. CLAXTON: I should think the O.F.F. corresponds to the Bureau of Information in Canada.

Mr. COLDWELL: Yes.

Mr. CLAXTON: It does seem to me from the evidence so far given that this inter-departmental committee that has been set up should be extended in its functions so as to do a job such as is being done by the O.F.F. in the United States. It seems to me that the evidence so far given here demonstrates the need for that in the clearest possible fashion.

By Mr. Claxton:

Q. One thing I should like to ask is this; when the Wartime Prices and Trade Board decides to put on a program of an educational character, to develop support for the idea of price ceilings, does it consult with the C.B.C. as to whether the C.B.C. might put that program on for them?—A. Oh, yes. That is the normal procedure. The problem in the United States is a little bit different. I know Mr. Lewis very well, and we keep in close touch. But there, you see, they have to have a co-ordinator, if only because of the multiplicity of networks. In Canada there is only one network authority and only one operator of a national network. The C.B.C. is in effect the co-ordinator. There is that difference.

Q. To follow up that question, may I ask does the Wartime Prices and Trade Board—which I mention just as an example—go to the C.B.C. with regard to the program which they want to put on? Could you go a little further into that? Suppose Donald Gordon, chairman of the board, decides, on the advice of his own publicity staff, that such a program is needed; does he come to you or to your program staff to discuss the general nature, content and extent of the program or does he go to an outside advertising agency?—A. Well, it depends. If it is to be a commercial program, he normally consults an outside agency. But if it is to be a sustaining program—that is, one of our war effort programs—then he puts the task to us and says, "This is the result we want to achieve; give us your advice as to how best to achieve it." But there is also, of course, consultation with advertising agents in connection with any paid campaign on the air.

By Mr. Coldwell:

Q. Does the government pay for any of these broadcasts?—A. Oh, yes.

Q. Through an advertising agency?—A. Yes. All advertising is handled through agencies—newspapers, radio and so on.

Q. Do you mean to tell me that the government pays an advertising agency to place these programs with the C.B.C., a government institution?—A. Well, it is not quite that. It is a question of booking and discount. It is the custom of the trade. All advertising is handled through agencies, and it is the custom of the trade that they get a discount.

By Mr. Tripp:

Q. In that connection, may I ask if there are two commissions paid?—
A. Two commissions?

Q. Buyer and seller—do they each get a commission? Are there two agencies?—A. Well, when they come from the United States, the American network gets a commission; and there would be two commissions in that case.

By Mr. Coldwell:

Q. Do you pay commission to the advertising agency for placing these government programs?—A. In some cases, yes.

Q. Does the government pay a commission too for placing the advertising?—A. No. It is a discount.

Q. It is a discount by the corporation.

By Mr. Claxton:

Q. I think we have to get a little more specific about this. Did the Wartime Prices and Trade Board put on a program of that character?—

A. Yes; the program called 'Soldier's Wife' is a commercially sponsored program. It is a daily program.

Q. Where does that program originate?—A. Toronto.

Q. In the C.B.C. studios or in a commercial studio?—A. I will have to get the facts on that.

By Mr. Coldwell:

Q. Would you not know that?—A. No, not offhand.

Q. Would not somebody know it, such as Mr. Bushnell?

Mr. BUSHNELL: I am unable to tell you just where it originates. It is a commercial program sponsored by the Wartime Prices and Trade Board. So far as the C.B.C. is concerned, we have nothing to do with the production of it whatsoever. It is handled through, I believe, the advertising agencies of Canada and they in turn have appointed a producer, Mr. Ray Purdy; and in the province of Quebec—as a matter of fact, in Quebec the program has not yet started. But in Toronto the program originates, I think, in CFRB studios.

Mr. CLAXTON: Was the C.B.C. given an opportunity by the Wartime Prices and Trade Board to put that program on as a national service without expense to the Wartime Prices and Trade Board?

Mr. BUSHNELL: No.

Mr. CLAXTON: Was there ever any discussion between the C.B.C. and the Wartime Prices and Trade Board about it?

Mr. BUSHNELL: No.

Mr. CLAXTON: Has the C.B.C. got program facilities to handle such a program?

Mr. BUSHNELL: That might be possible, yes. I will say that the C.B.C., in conjunction with the sponsored program, takes care of a great many of the problems of the Wartime Prices and Trade Board.

Mr. CLAXTON: It has handled other programs through the C.B.C. exclusively?

Mr. BUSHNELL: Yes.

The CHAIRMAN: Can you suggest why they selected a private organization to do that?

Mr. BUSHNELL: No, I cannot.

Mr. CLAXTON: Have there been other departments which handle programs in the same way?

Mr. BUSHNELL: Yes.

Mr. CLAXTON: Munitions and Supply?

The WITNESS: Finance.

Mr. BUSHNELL: Munitions and Supply.

Mr. CLAXTON: Finance was in connection with war loans?

The WITNESS: Yes.

Mr. COLDWELL: Finance in connection with war loans place their programs through an advertising agency and pay a commission. I think that is scandalous.

The CHAIRMAN: All advertising is done in this way.

Mr. BUSHNELL: I think I can possibly tell you what happened. As Mr. Murray says, it is the trade practice. Let us say you go to the *Ottawa Journal* or the *Ottawa Citizen* and you wish to put an advertisement in either of these papers, to the amount of \$100. You, as a private citizen, can walk over there and buy \$100 worth of space, and you will pay them \$100 in cash for it. You can put that same business through an advertising agency, but the agency will walk into the *Ottawa Citizen* or the *Ottawa Journal* and pay \$85. You cannot pay them any less than \$100. It is the same thing if you as a private citizen buy an hour on CBL. You will pay whatever the station rate may be, possibly \$240 or \$350. If an agency buys that same time, it is given a discount of 15 per cent. That is the normal trade practice.

Mr. COLDWELL: Yes. But the point is this. Here we have a government institution doing advertising for the government itself, and it seems to me that there is absolutely no necessity for the government to go to an advertising agency and pay them a commission in connection with placing this program on one of its own institutions. That is the point. It is a different thing altogether.

Mr. Ross: Do the advertising agencies do anything for their discounts?

Mr. BUSHNELL: Yes.

Mr. Ross: They do the whole thing?

Mr. BUSHNELL: No. They prepare the commercial announcements in connection with bond drives and any financial drives of that kind. They prepare the commercial copy. But the C.B.C. as part of this A.A.C. committee, in Toronto and the same in Montreal, handles the production of the program. The agencies are represented, of course, on this A.A.C. committee on which the C.B.C. has three representatives. But the programs themselves are produced for the most part, and the selection of the artists, the orchestras—the actual program production is taken care of by the C.B.C. at no cost to the government. We supply the producers, the announcers. We do not supply the musicians, naturally. They have to be paid for.

The CHAIRMAN: Excuse me. Order, please. This is hardly regular, questioning somebody from the side-lines. If you want to have Mr. Bushnell as a witness, we will call him.

Mr. COLDWELL: We can get him at some other time.

The CHAIRMAN: Let us proceed with Major Murray.

By Mr. Claxton:

Q. From the discussion, it is clear, is it not, that the government does not have to pay any more by reason of its going through an agency than if it went direct to the instrument of publicity?—A. That is right.

The CHAIRMAN: That is so.

By Mr. Claxton:

Q. When that instrument of publicity is something other than the C.B.C. That is correct?—A. That is correct.

Q. If it goes to the C.B.C. it does not have to pay anything except that there may be arrangements between the C.B.C. and the government agency

whereby the actual cost of producing the program—musicians I think Mr. Bushnell mentioned—would be met by the agency rather than the C.B.C. Is that correct?—A. That is correct.

Mr. COLDWELL: Yes. But on the other hand, while the government does not pay more, the C.B.C. gets less revenue. That is right, is it not—less by the amount of commission that is paid for advertising? That is right, is it not?

Mr. CLAXTON: In so far as the C.B.C. stations carry the program.

The WITNESS: Yes.

By Mr. Ross:

Q. Is there a pooling arrangement in connection with these agencies in connection with government work or how is it put through?—A. It is a pooling arrangement.

By Mr. Claxton:

Q. I began by raising this point. It does seem to me that when government agencies want to initiate a program, it would be natural for this inter-departmental committee to consider or to discuss with the government department the best way to do it and I should think it would at least be a sensible and economic course to ask the C.B.C. if it did not have the facilities to put on the program for the government department. Do you agree with that, Major Murray?—A. Yes. It is the tidiest arrangement, I should think.

By Mr. Coldwell:

Q. Has an arrangement of that kind been adopted?—A. We are going more and more in that direction.

By Mr. Ross:

Q. As far as that is concerned, the question is a matter of government policy again, not a matter of C.B.C. policy. That is, I mean in connection with the Wartime Prices and Trade Board putting these things on. It is a matter of government policy as to how it should be done, and not a matter of whether it should be done by the Board of Governors or the C.B.C., or is it?—A. Except on the technical point how it is to do it.

Q. Yes, I know that. But as far as financial arrangements are concerned, it is a matter of government policy.

By Mr. Coldwell:

Q. So that we may get this picture clear, Major Murray, could you give us a statement before this inquiry closes as to the total amount of discounts paid by the C.B.C. on account of advertising from the government, by agencies?—A. All right. We will get that.

Q. I should like to have that—the total amount paid during the past year. It might be broken down to show how much in connection with victory loans and that kind of thing.

By Mr. Claxton:

Q. Major Murray, could you tell us what machinery there is now for giving private broadcasting stations in Canada some direction as to which government broadcasts they are to carry, along the line of this O.F.F. statement? Is there any special machinery in existence in Canada for the guidance of private stations so as to prevent their having to pick and choose among a lot of government announcements?—A. The inter-departmental committee gives directives.

Q. And how are they issued?—A. To the C.A.B., the Canadian Association of Broadcasters. Of course, we work very closely with them so that there is no danger of confusion there.

Q. And the inter-departmental meet every week, I think it was said, does it not?—A. Yes.

Mr. GRAYDON: Of course, the inter-departmental committee is merely, at the present stage, an advisory committee. I took it from the evidence that was given that it had not very much teeth in it at the moment and it was simply in its exploratory stage to a certain extent. It seems to me that the time is past for exploring these things. I think the necessity of really coming to grips with the matter of governmental informational broadcasts is right here with us now, and I think it should be dealt with before we go any further in this war.

The WITNESS: Mr. Chairman, I should like to make an observation as to what we have done in the sphere of dramatizing history which is, of course, a really tremendous opportunity in radio technique.

Almost every phase of British, Empire, American and Canadian history has been touched upon. I mentioned the other day the series "The Birth of Canadian Freedom" dealing in dramatic form with the lives of such men as Lord Durham, Joseph Howe, Lord Elgin, William Lyon Mackenzie, Louis Joseph Papineau and Robert Gourlay.

Then we had a series "This England" dealing dramatically with the growth and development of British freedom. Another series along the same general lines was "They Shall Not Pass"—historical episodes illustrating heroic incidents in British history.

In the list of other historical plays are: "Charlottetown Conference"; "Tale of Old Quebec"; "Fort Beausejour"; "Island with Wings"; "An Early Story of Prince Edward Island"; "The Eagle of Oregon"—an episode in the history of the Hudson's Bay Company; "Abraham Lincoln"; "Thermopylae"; and of course, Shakespeare in various themes, with full dramatization and concentrated; "In the Fog"—a story about Gettysburg and the dead that never die; "The Lordly Manner"—a story of the early history of Winnipeg; "King John"; "Mary Queen of Scots"; "A Soldier of Fortune"—a story of Sir Walter Raleigh; "St. Paul's of London"; "Victoria the Great"; "Charlotte Corday"; "William the Silent" and so on, which reminds me that it was Shelley, the poet, who described history almost with a prophetic gesture. He said, "History is the cyclic poem written by time upon the memories of men; the past fills the theatre of the everlasting generations with her harmony." There is a point in that—of course, it is characteristically extravagant in Shelley's language—which we try very much to apply—"fills the theatre of the everlasting generations with her harmony"; if we can make history live, I think we can make an important contribution incidentally to the sense of national unity and legitimate pride in achievement, in general terms.

Earlier in my evidence in chief I said there were deficiencies, both numerous and deplorable, and I would hope to have the guidance and advice of this committee before its deliberations were completed, in dealing with some of these problems. Would it be your wish that I should try now to enunciate these deficiencies, both numerous and deplorable, or shall I leave that for a later stage?

The CHAIRMAN: What is the wish of the committee?

Mr. HANSON: I suggest that since Major Murray is on the stand now, he should go ahead with his suggestions.

Mr. GRAYDON: Perhaps you had better go ahead with your statement, Major Murray, and we will supplement it later on.

The WITNESS: Very well.

The CHAIRMAN: If that is agreeable to the committee, all right.

The WITNESS: These are the problems, and each one of them is a serious one and involves practical consideration.

Mr. GRAYDON: Do not forget the Board of Governors when you are dealing with them, because that is very important, I think.

Mr. COLDWELL: Are they deplorable?

Mr. GRAYDON: I did not say anything about that.

The WITNESS: First of all, there is the problem of training—training producers and announcers. We must try to make radio a career, or we should. In the past it has been a hit and miss business. We have taken staff from other industries—entertainment and so on, and the staff has done very well. But there is need for organization of proper training, a school for announcers and a school for producers. We had a plan of this kind worked out just before the war, but it had to be put off. Then secondly, there is talent sifting, talent scouts. We need more talent scouts. From the angle of public confidence and public relations that is important. We should have staff going around the country searching for new talent. At present we do the best we can. We give auditions at our various centres and we get a certain amount of information about likely new talent, but it is not organized on the big scale that it should be; and that is important not only from the angle of enriching the program service but also from the angle of public confidence and a feeling of pride in the public service broadcasting. Then thirdly, there are workshop extensions, workshop technique.

By Mr. Graydon:

Q. By the way, before you come to that, I have a question to ask. You said that in the past there had been some difficulty with regard to that. What is being done now with regard to scouting for material such as you suggest throughout Canada?—A. Well, our creative staff has to do it—the producers and so on. We do the best we can.

Q. Are you head of the creative staff or is Dr. Frigon?—A. Well, the supervising of programs is under Mr. Bushnell; but that is part of my general territory.

By Mr. Coldwell:

Q. What do you do when you have people like this, to promote them, in order to retain them? You have found quite a lot of talent in Canada, but I have noticed it has gone to the United States afterwards.—A. Not so much lately. The process has been checked because the rewards that we can give the artists now are substantially greater than they were; and that applies particularly to musicians.

By Mr. Graydon:

Q. Do you have anyone attend the local musical festivals, for instance, in various parts of the country?—A. Yes.

Q. In search for talent?—A. Oh, yes. That is always attended to.

By Mr. Coldwell:

Q. Have you done anything to promote, we will say, a C.B.C. orchestra or to bring together people who can originate programs of that description?—A. That raises an interesting point which has already been discussed, whether to be a ministry of the arts in the sense of encouraging the existing orchestras—and we are the chief support of the existing orchestras in Canada—or whether to depart from that policy and create a national orchestra. The B.B.C. created a national orchestra at a very great cost. Our policy, so far, has been not to

create a national orchestra of our own but rather to encourage the worthwhile local orchestras throughout the country and make it possible for them to operate,—in Montreal, Toronto, Winnipeg, Vancouver and so on.

By Mr. Ross:

Q. Like the Sunday program last Sunday?—A. Yes. For example, from April 1, 1939, to March, 1942, we put out 181 special symphony broadcasts of Canadian orchestras; 9 from Halifax; 69 from Montreal; 68 from Toronto; 20 from Winnipeg; 14 from Vancouver and 1 from Regina. But it is still a question for discussion as to what is the right policy, whether to create a national orchestra or to encourage existing orchestras.

By Mr. Coldwell:

Q. Have you had any survey made of your musical programs by any qualified musicians?—A. Yes, formerly by Sir Ernest MacMillan and Dr. William Pelletier of the Metropolitan Opera, with growing attention, from music critics.

Q. They submit reports, do they?—A. I believe so. I shall have them looked up, if you like.

Q. I think it would be interesting to find out just what reports have been made on this particular point, and have them produced.—A. Yes. Then, as I mentioned in the beginning, we should have alternative facilities—planned alternative facilities in order to meet this point of being able, at any given moment, with a reasonable signal strength, to give the average listener a choice of two programs in accordance with the average mood. We have not got that. Our contrast must be vertical throughout the day, and it should be horizontal. Of course, that would mean either the taking over of a great many privately-owned stations and planning a special alternative program or the creation of a second network of 50,000-watt transmitters. But it is definitely a need; that is, the planned alternative program.

Q. Speaking of the creation of a second network, is that why the allotment of six open channels was made at Havana and you accepted them? Did you have in mind then the using of those channels for a secondary network?—A. I cannot recall what the circumstances were of that. There is a subsidiary network, of course, of privately-owned stations, but that is commercial. It is not a planned alternative in the sense of programs, and has no sustaining programs.

Q. You will have to use those channels, I take it, before 1946?—A. Yes.

Q. Or lose them?—A. There is the danger of losing them.

Dr. FRIGON: We will lose them for 50 kilowatts. We can still retain them for the power we use now on them, but we will not be able to add power to those stations later on. In other words, they will be reclassified to a lower grade if we do not use them.

Mr. COLDWELL: Or you may lose them if some other station wants it for a high-power station?

Dr. FRIGON: We will not lose them entirely but we will lose the permission or right to operate them on high power.

Mr. CLAXTON: When you say, "We will lose them", Dr. Frigon, is that a certainty or just a possibility?

Dr. FRIGON: If Canada does not place 50-kilowatt stations on those channels before 1946, then those channels will be reclassified to a lower grade.

Mr. COLDWELL: That is to say, they would no longer be clear channels in the sense in which we are using the term?

Dr. FRIGON: That is right.

Mr. CLAXTON: Is that provided for in the convention?

Dr. FRIGON: Yes.

Mr. GRAYDON: We had better benefit by past experience and not lose any more channels, after what happened with regard to our shortwave position.

Dr. FRIGON: It is a matter of finances exclusively, I would say.

Mr. GRAYDON: It is a little more than finances; because after all, if it is part of our war effort, as we have been able to raise money for other things, I think that we should be able to take care of something that is essential. If it is not essential, why discuss it? If it is essential, we should put the money up and do it. I think that the shortwave situation is one of the worst I have ever heard of; and I hope we do not duplicate it as far as the other channels are concerned.

Dr. FRIGON: I was speaking of the C.B.C. finances, of course.

Mr. GRAYDON: The C.B.C. cannot be expected to finance all these things. I think some government responsibility has to come in if it is matter of national concern.

Mr. CLAXTON: I missed the last meeting owing to another meeting. I wonder if anything was said then or previously about the organization of a second network. Has that been described to us in the evidence?

Dr. FRIGON: No. The only thing that was said was that, due to too many campaigns having to be handled by the national network, we had to set up a group of stations on the alternative network to carry campaigns.

Mr. CLAXTON: I wonder if the general manager could enlarge upon that a bit and give the reasons and arguments for setting up a second network.

The WITNESS: Well, I think that fairly describes it. We reached the saturation point so far as commercial programs were concerned, if we carried out our public service duties. There was still a demand for more commercial programs and so an alternative network was set up. It is purely a commercial venture. But it has had the effect of bringing some very popular programs to parts of the country which did not have them before. One of them has been referred to already here.

Mr. COLDWELL: I notice that Dr. Frigon says it is a matter of finance. I think that is right; and I think Mr. Graydon is right, when he says that we cannot expect the C.B.C. to undertake the financing of things that are really of national importance. But there is one thing I noticed in the rate card. I noticed the prairie region and the Maritime region. In the Maritime region, when a program originates over that region, the allotment of the money to the station strikes me as being rather strange. For instance, you have CBA, which is a very powerful station, getting \$30 for the hour and Sydney, for example, which is not a particularly strong station, getting \$45 for the hour; Halifax, \$50; Charlottetown, \$45; Moncton, \$25; St. John, \$50; Fredericton, \$45. In the prairie regional network you have the Watrous station getting only \$30; CKY, Winnipeg, \$120; Regina, \$70; Saskatoon, \$60; Edmonton, \$80; Calgary, \$80. I wondered if the broadcasting corporation was getting the revenue that it should get from these programs for their high powered stations, when the division of the amount charged for the hour seems to me to be so relatively small for the high powered C.B.C. stations. If it is a matter of revenue, I just cannot quite understand it.

Dr. FRIGON: The reason there is this: before we built CKY and CBK we already had the network there. We had these big stations and it would have been impossible to sell them at what we might call their regular rates. So we had to offer them to sponsors, as a supplement to the already existing network, and their rate as recorded now or as seen on the rate card is nothing near their value. They are worth more than that. But they provided duplicate coverage in certain centres. For instance, the CBA station covers Charlotte-

town, and Moncton very well. Of course, it is right next door. But we already have a station in Charlottetown and Moncton on our network, privately owned. So it is on account of the situation that the new stations provided duplicate coverage already obtained through private stations, that the high powered stations have been offered at very low prices; otherwise the cost of the regional network would have been altogether too high to attract sponsors.

Mr. COLDWELL: But the C.B.C. has control of the network?

Dr. FRIGON: Yes.

Mr. COLDWELL: I do not quite follow that argument. However, perhaps we can look into this rate card a little more carefully later on. But I thought since the matter of revenue was raised, I would mention it, as it was something I could not understand.

Mr. GRAYDON: Perhaps Major Murray would want to go on with his list of deficiencies.

The CHAIRMAN: All right.

Mr. COLDWELL: That is one of the deficiencies—revenue.

The WITNESS: Yes. It seems to me that the universities might be of greater help to us than some of them are, in this problem regarding our staff, training producers and announcers. It is true that some universities are doing something; for example, McGill has a special course in radio technique. But I think if the other universities of Canada would take a greater interest in it, it would be of advantage.

By Mr. Coldwell:

Q. Do you encourage the universities to go in for broadcasting?—A. We do, yes.

Q. I remember a year or two ago in the University of Alberta at Edmonton, they were not allowed to receive revenue to promote their broadcasting activities. The board or the governors or the management—I do not know which—refused them permission to do what the private stations were doing. They certainly had to curtail their activities and I am not sure whether they were not considering giving up broadcasting altogether. I remember some of the men in the university spoke to me about it in Edmonton while I was there. I think it is about eighteen months ago.—A. That was a matter of policy. The board ruled that university stations like that should not be commercial.

Q. Then where are they to get their revenue?—A. Presumably from the university.

Q. I mean, you allow private stations to obtain revenue and to continue. Why should you not allow university stations to continue?—A. That is a point of policy which was determined in that way. It was a board decision.

Q. It seems to me, from looking at this card and from facts like that, that the corporation is throwing business to private organizations that I cannot see any reason for; and if it is important to build up university radio activities, it seems to me some consideration should be given to them.—A. Yes. Then, of course, the next point has also been referred to in this committee and that is the lack of a high power shortwave system. Then what we should do, if we had the resources, is to double the rehearsal time on all our programs. We will get a very much higher standard of performance if we double the rehearsal time, but that costs money; although we are going ahead on our rehearsals and we are doing more rehearsals on the average now than they do in the United States.

By Mr. Claxton:

Q. On the subject of shortwave, I wanted to get some more information, and I wondered if now would be a convenient time, or whether it would perhaps

be better later.—A. Well, with reference to that, we are having prepared a narrative of the whole of the correspondence since 1937.

Q. Then it would be better for me to raise the point after we have that.—A. It is a complex picture, but it will all come forward on paper.

Q. Very well.—A. Then I mentioned workshops, in particular that field of experiment, which we should do more of but which has been somewhat neglected since the war began; the evolution of the radio technique in a consciously planned way that flows from workshop experiments; and then perhaps the development of closer supervision of continuity. We are now engaged in a study of the possibility, with the private broadcasters of Canada and with the Americans, of modelling or remodelling some of the commercial programs by agreement; and perhaps in that connection it would be well for me to read a memorandum which was prepared by Dr. Thomson, a member of the Board of Governors, and who is president of the University of Saskatchewan. It is the basic memorandum on which the present study is being built. It is entitled "A New Policy for Radio".

By Mr. Graydon:

Q. Is it very long, Major Murray?—A. No. It will not take long. It reads as follows:—

In the course of the twentieth century, applied science has presented the world with two mechanical methods of artistic reproduction—the cinematograph and the radio. The cinematograph began as the "movies" and by adding the reproduction of sound to its technique later developed into the "cinematophone" or now familiarly, the "talkies". It would appear that the next step which only awaits technical development is the combination of radio and talkies or the bringing of television joined with radiotelephony within the reach of everyone.

By these mechanical devices, the ancient art of the theatre has undergone a vast extension. This art is deeply rooted in the elemental interests of human nature. Modern psychology only confirms what has always been known that the stimulation of the emotions through the imagination is the most powerful of all media of human persuasion. It is hardly possible to over-emphasize the immense and permanent influence of the cinema and the radio, and of the two, the latter is probably much more important, for it is more constant and more widespread in its activity.

This paper is written to suggest that the time has now arrived for radio to take itself seriously as falling into the tradition of a great and noble art—the art of the theatre. The cinema has already done so. Not so very long ago, we were at the slapstick stage of the Keystone comedies, the amorous adventures of Mabel and the incessant riding of wild-west cowboys. These rough-and-ready days were the pioneer period of the movies. The "nickel" theatre with its jangling piano was the vehicle of public representation.

Then the cinema came into its own. It got out of burlesque and melodrama and became conscious of the need for artistic and technical excellence. History, literature, geography were searched for suitable material. The level of comedy was raised. Vast capital expenditures were poured into the industry and only the highest histrionic and technical talent could find a place within it. And the public has liked it. Their entire standard of appreciation has been raised. Nor has the movie industry been the loser.

In the movie business the moral element began to deteriorate. Principally through the influence of the Catholic Church, the League of Public Decency was created to demand what the name suggested—public decency.

The result was the setting-up of a self-censorship by the cinema producers. Again the public liked it. But the action of the picture producers was more positive than negative. They made artistic excellence an avowed objective and by their own self-conscious efforts, they have attained it. To-day, the cinema has become an immensely important media of public education, affecting standards of taste and influencing opinion. Moreover, the world of education has taken visual education seriously and to-day the projector and the film are well established equipment for instruction in school, college and university.

Radio appeared upon the scene somewhat later. It can hardly be said to have emerged from the crude pioneer stage. A good deal of the so-called comedy is slap-stick burlesque and the entertainment element still predominates. We are still at the stage of the melodramatic or sentimental serials that, not so long ago, were the staple diet of the movie-goers. However, there are signs that, particularly in the great networks of the United States, the radio business is beginning to develop a self-consciousness in artistic standards. A sense of vocation is entering the minds of the best producers. In music, drama and education great forward steps have been taken, and a discriminating public is becoming more and more critical of the mean fare that still constitutes a considerable element in the radio offering. This makes the time for a forward and constructive movement particularly opportune.

The most disquieting feature in the development of radio has been the domination of the programs by the interests of salesmanship. The incessant stream of adjectival entreaties to buy this or that product has a vulgar and depressing influence on any intelligent mind. The public has become weary and disgusted, tolerating the sentimental vendors of various merchandise with patient indulgence which hardly any longer conceals the contempt into which radio is rapidly degenerating. If radio is to develop as a genuine art, some dealing must be taken with this aspect of the business.

The analogy we must draw is no longer between the radio and the movies, but rather between radio and journalism. Radio has been described as a new extension of the art of the theatre; it is also a new development in what may be called aural journalism. Indeed the newspaper business is notoriously uneasy about the growing power of radio, and, from its point of view, rightly so.

Newspapers and magazines carry large quantities of advertising matter. Otherwise, they would require to discontinue publication. But, could we imagine any self-respecting journal handing over the writing of its matter to advertisers? Imagine the degeneracy of journalism if soap-vendors were to dictate the substance of magazines. Yet, this is the ignominious position into which radio production has fallen. The editors of newspapers and journals determine their literary policies, and then sell space to the advertisers. On the contrary, the radio producers accept not only the advertising but the matter that is to accompany it. The sponsor is in control. The major change for which we must make is that of devising our own programs from start to finish, and then, if necessary, to approach the advertisers, asking them if they want to come in. This would be a complete revolution in radio production. It would mean that radio would get an opportunity to develop its own distinctive, artistic and technical role. We have to envisage an immense expansion of our production and technical staff, but the returns are now so lucrative that properly directed, they could easily sustain the necessary personnel. Advertising would then be put into its own proper place. Its manner and matter could be controlled, and above all, we could develop our own programs.

To accomplish this end, there is an obvious need for some immediate study being given to the entire question of what function we want radio to fulfil. Hitherto we have been largely governed by what products we want to sell. That is not good enough. A beginning might be made in some quite simple enunciation of certain canons of artistic and ethical taste. An aesthetic and moral code could be formulated. The vulgar exploitation of human cupidity could be eliminated. Offensive references to personal hygiene could be shut off. Sordid tales of betrayed affection might be banned. Amusement and human dignity are not antagonistic interests. Above all, we need to set before ourselves certain broad aims of radio policy—entertainment, information, education, artistic enjoyment, etc. The radio should combine the best in journalism and drama.

To achieve these ends two steps must be taken:

(1) *A much fuller central control of radio.* Small, independent radio stations have had their own noble share in the pioneer development of radio. That should be recognized. But we have got beyond the pioneer stage. The private station must now take its place much more fully in a genuinely national policy. To accomplish this end is the role of the C.B.C.

(2) *Cooperation with the great networks of the U.S.A.* It is believed that the new outlook which this paper proposes would be welcomed by progressive leaders in the United States. Here the C.B.C. might rise to a new distinction by making the first overtures.

All this leads up to the suggestion that the time may be ripe for making overtures to call an all-American conference on radio to explore the possibilities of a general elevation and progressive movement in the development of radio.

That paper was prepared by Dr. Thomson and is now the subject of conversations with private broadcasters, both Canadian and American.

By Mr. Coldwell:

Q. You agree with the general principles enunciated, I take it?—A. Yes.

Q. That is a very fine statement.—A. Yes. It is a very fine memorandum.

The CHAIRMAN: Gentlemen, it is one o'clock. Will it suit the committee to meet to-morrow?

Mr. COLDWELL: Make it Thursday. There is a meeting of the Empire Parliamentary Association to-morrow. I think some of us want to be there.

The CHAIRMAN: At what time is it?

Mr. COLDWELL: At eleven o'clock.

Mr. TRIPP: How much more has this committee to cover, Mr. Chairman?

The CHAIRMAN: We have a lot more.

Mr. COLDWELL: So far as I am concerned, you may go ahead. I just thought I would mention that meeting.

The CHAIRMAN: I think we had better go ahead. I think we will call a meeting for to-morrow at 10.30. What is the wish of the committee in that regard?

Mr. TRIPP: If you have a lot more work to cover, I think you had better keep on going; otherwise we will never get through with it.

The CHAIRMAN: Those in favour of meeting to-morrow at 10.30 please signify. Contrary? I declare the motion carried. We will meet to-morrow at 10.30.

There arise again the question of production of the minutes. There is no use in referring to the discussion on that. The original motion was to the effect that the minutes of the new corporation, from 1936 to date, be produced for the purpose of inspection by the committee. That motion was defeated, as you know. I would suggest that any minute that is required can be produced,

and that the minute that is requested to-day will be produced at the next meeting. But there is no use of having all the minutes carted up here—they cannot be left here—and then have them carted up and down here every day just for the purpose of having somebody working.

Mr. GRAYDON: I do not agree with that view, Mr. Chairman—and it is very seldom that I disagree with you. But I think that is a very impractical arrangement. I do not think the Board of Governors have held enough meetings and done enough business that it is a question of a cartage job, so far as the Board of Governors' minutes are concerned. I have seen them here.

The CHAIRMAN: It is not entirely that.

Mr. GRAYDON: I think there must be enough husky men belonging to the corporation, that at least two or three of them who come up here every day from the office would be able to carry them between them on their shoulders to the committee. I think that we ought to have these minutes here. If it means a great physical exertion, then I think we should make some other arrangement about it.

The CHAIRMAN: You are labouring that particular point. Mr. Murray, as you will recall, said that he believed members of the committee may get all the information they want "without asking us to produce our minutes before the committee." Of course, we are not guided entirely by that.

Mr. COLDWELL: Every day something arises about which one of the witnesses wishes to refresh his memory from the minutes; then it is left until the next day, and it means the discussion is gone over again.

Mr. GRAYDON: And perhaps another witness is on the stand.

Mr. COLDWELL: It would facilitate the inquiry if the minutes were here.

Mr. GRAYDON: I think you might relax, with your usual good nature, Mr. Chairman, and let us have the minutes produced before the committee. If necessary, Mr. Coldwell and I will go and get the minutes ourselves, if nobody else wants to carry them up.

Mr. COLDWELL: We will not need to carry them. We will get a truck from downstairs.

The CHAIRMAN: Here is what Mr. Graydon says: "—with respect to the points I have raised here this morning indicates, it seems to me, a necessity that we should have some reference to the minutes of the Board of Governors of the Canadian Broadcasting Corporation, either that or else the chairman ought to be in a position himself to give me or any other member of the committee complete information on anything that is asked for. If we get that, then, of course, there can be no objection so far as the non-tabling of the minutes are concerned." I have quoted Mr. Graydon.

Mr. GRAYDON: I have not had a plebiscite, but I have not changed my opinion, because neither the chairman, Mr. Morin were able to give me information. That is why I think we should have the minutes here. That is what we stuck upon this morning.

The CHAIRMAN: That will be produced. Are you through with Mr. Murray?

Mr. GRAYDON: Oh, no, Mr. Chairman.

Mr. COLDWELL: We have not started yet.

Mr. GRAYDON: We have just had a preliminary canter.

The CHAIRMAN: Then we shall continue with Mr. Murray as the witness to-morrow morning. The meeting stands adjourned until 10.30 a.m. on Wednesday.

The committee adjourned at 1.05 p.m., to meet again on Wednesday, June 10, at 10.30 a.m.

APPENDIX A

DEPARTMENT OF TRANSPORT,

Ottawa, June 6, 1942.

Dear Mr. Plouffe,

In compliance with the request made by Mr. Isnor at the last meeting of the Special Committee on Radio Broadcasting, I have pleasure in attaching hereto, a statement showing the approximate decrease in revenue which might be anticipated if the present private receiving licence fees are reduced to \$2.00 and \$1.00 from \$2.50 and \$2.00, respectively.

Yours very truly,

WALTER A. RUSH,
Controller of Radio.

Antonio Plouffe, Esq.,
Clerk of the Special Committee on
Radio Broadcasting,
Room 431, House of Commons,
OTTAWA, Ontario.

Gross Income from Issue Private Receiving Station Licences 1941-42 compared with income if fee reduced to \$2.00 and \$1.00 from \$2.50 and \$2.00, respectively:—

Licences Issued			
1941-422			
1,373,689	(\$2 50)	.....	\$3,434,222 50
242,802	(\$2 00)	.....	485,604 00
			<hr/>
			\$3,919,826 50
1,373,689	(\$2 00)	.....	\$2,747,378 00
242,802	(\$1 00)	.....	242,802 00
			<hr/>
			2,990,180 00
			<hr/>
Anticipated Reduction in Revenue.....			\$ 929,646 50

APPENDIX B

PRINCE RUPERT CHAMBER OF COMMERCE

DEVELOP THE NORTH

PRINCE RUPERT, B.C.

June 2, 1942.

Dr. J. J. McCann, M.P.,
Chairman, Radio Committee,
House of Commons,
Ottawa, Ont.
The Radio Committee,
Parliament Buildings,
Ottawa.

Dear Sirs:—

Herewith is a copy of a resolution passed recently at a regular meeting of this Chamber of Commerce.

Your serious consideration of the matter will be greatly appreciated.

Yours very truly,

A. BROOKSBANK,
Secretary.

RESOLUTION

"Whereas this Northern portion of B.C. continues to be without a reasonable radio service.

Whereas, in a letter from the Minister of Munitions and Supply, dated May-5-42, addressed to Olaf Hanson, M.P., it was held to be impossible to pay more than 10 per cent for the selling of radio licences. It also pointed out that "since the war period the funds allocated by Parliament for the purpose of eliminating inductive interference has been kept at a minimum". We venture to suggest that both views are entertained due to a lack of full knowledge of conditions in this area.

Whereas, on Nov. 18, 1940, our communication to the C.B.C. held that the minimum number of radios in Prince Rupert at that time was not less than 2,000 and that licences were sold for use in the city for 500 radios. Leaving 1,500 radios that paid no licence.

Whereas a check up of the Prince Rupert radio dealers within the past weeks shews that 800 radios were sold in the city in the past 16 months and a very conservative estimate is that there are to-day not less than 2,500 radios in use in Prince Rupert. If each paid a licence the revenue would be \$6,250.00.

Whereas, there could likely be collected another thousand licences outside of Prince Rupert—between Prince George on the East, Queen Charlotte Islands on the West—Stewart to the North and Port Essington to the South, \$2,000.00 additional revenue making a total revenue of \$8,250.00.

Whereas by combining the office of radio inspector and that of licence collector you have a full-time job for one man.

Whereas the extra revenue derived by the method above suggested would pay the necessary salary, interest on the investment, depreciation and a profit, and this expense would all be gladly borne by the radio owners.

And whereas the population has very materially increased, owing to war conditions.

And whereas Prince Rupert has very little to offer these men in the way of recreation and amusement.

The Committee recommend the following resolution be adopted.

That the line now about completed to Prince George be extended to Prince Rupert, thus assuring C.B.C. Broadcasts at all times, and that an Inspector be appointed with the necessary equipment to check interference in this area, and with authority to enforce the law as it now stands with regard to Radio nuisances also that he be paid an adequate salary so that he could give his whole time to his duties as Radio Inspector and License Collector.

Also resolved that this Chamber recommend that the local Station be made a unit of the C.B.C. with adequate power to serve the Northern part of the Province, and that copies of this resolution be forwarded to our Member Mr. Olaf Hanson, the Radio Committee of the House at Ottawa, and to the Regional Supervisor at Vancouver, Mr. N. A. Olding."

APPENDIX C

NOTES REGARDING HAVANA AGREEMENT

The purpose of the North American Regional Broadcasting Agreement is to regulate and establish principles covering the use of the standard broadcast band, that is, 550 kc. to 1600 kc., in the North American Region so that each country may make the most effective use thereof with the minimum technical interference between broadcast stations.

Primary service area is defined as the area in which the ground wave is not subject to objectionable interference or objectionable fading. Secondary service area is defined as the area served by skywave and not subject to objectionable interference but subject to intermittent variations in intensity.

The 106 channels in the standard broadcast band are divided into three principal classes:—

Clear Channel

A clear channel is one on which the dominant station or stations render service over wide areas which are cleared of objectionable interference over their primary service areas and all or a substantial portion of their secondary service areas.

Regional Channel

A regional channel is one on which several stations may operate with powers not in excess of 5 kilowatts. The primary service area of a station operating on any such channel may be limited by interference to a given field intensity contour.

Local Channel

A local channel is one on which several stations may operate with powers not in excess of 250 watts. The primary service area of a station operating on such a channel may be limited by interference to a given field intensity contour.

Broadcast stations are divided into four principal classes:—

Class I

A dominant station operating on a clear channel and rendering primary and secondary service over extended areas and at relatively long distances. Class I stations are subdivided into two classes.

Class I-A

A Class I station which operates with a power of 50 kilowatts or more and has its primary service area within the limits of the country in which the station is located free from objectionable interference from other stations on the same and adjacent channels and its secondary service area within the same limits free from objectionable interference from stations on the same channel in accordance with the engineering standards set forth in the agreement.

Class I-B

A Class I station which operates with power of not less than 10 kilowatts or more than 50 kilowatts and which has its primary service area free from objectionable interference from other stations on the same and adjacent channels, and its secondary service area free from objectionable interference from stations on the same channel in accordance with the engineering standards set forth in the agreement.

Class II

A secondary station which operates on a clear channel and is designed to render service over a primary service area which may be relatively large but is limited by and subject to such interference as may be received from Class I stations. A station of this class shall operate with power not less than 250 watts or more than 50 kilowatts.

Class III

A station which operates on a regional channel and is designed to render service primarily to a metropolitan district and the rural area contained therein and contiguous thereto. Class III stations are subdivided into two classes.

Class IV

A station using a local channel and designed to render service primarily to a city or town and the suburban and rural areas contiguous thereto. The power of a station of this class shall not be less than 0.1 kw. or more than 0.25 kw. and its service area is subject to interference as set forth in the agreement.

As a result of the Havana agreement, 1937, Canada obtained the use of 14 clear channels, classified and distributed as follows:—

Class I-A—6 channels

690	kcs.	— Quebec
740	"	— Ontario
860	"	— Ontario
990	"	— Manitoba
1010	"	— Alberta
1580	"	— Quebec

Class I-B—4 channels

940	kcs.	— Quebec
1070	"	— Maritimes
1130	"	— British Columbia
1550	"	— Ontario

Two of these, namely 940 and 1130, were exempted from the 10 kilowatt minimum power requirement, to permit operation with 5 kilowatts minimum.

<i>Class II</i>	<i>4 channels</i>	<i>Power</i>
900 kcs	Quebec	5 kilowatts
800 "	Ontario	5 "
1060 "	Alberta	10 "
1080 "	Manitoba	15 "

At the request of CKAC, the channel 730 kcs. was substituted at Montreal for 900 kcs. at the Washington Engineering Conference in order to avoid adjacent channel interference in the Ottawa area between CKAC and CBO.

Through special arrangement with the U.S.A. Government, we are permitted to use channel 540 kcs. at Watrous, Sask., this frequency being outside the standard broadcasting band. We are, therefore, actually using 15 clear channels in Canada.

Of course, there are many other provisions in the Havana Agreement. It may be said, however, that the whole agreement is now inoperative on account of war conditions with no possibility of building new stations and obtaining equipment to modify the technical status of existing stations, except with very high priority obtainable only as a war measure.

June 9, 1942.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

June 10, 1942.

The Select Committee on Radio Broadcasting met this day at 10.30 a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. We have a quorum, gentlemen, and I think we will proceed with the meeting. Mr. Murray will continue. He has a short statement to make with reference to Radio-Collège.

Major W. E. GLADSTONE MURRAY, General Manager of the Canadian Broadcasting Company, recalled.

The WITNESS: Mr. Chairman and gentlemen, in my submission yesterday on the general education picture—that is to say, from the angle of schools broadcasting—I omitted a short synopsis of the Radio-Collège in the province of Quebec, and I should like, with your permission, to have this added to the record. That completes the statement made yesterday.

PROGRAM OF RADIO-COLLÈGE FOR THE PERIOD OCTOBER, 1942- APRIL, 1943

The total number of broadcasts next year will be 271. The program will be composed as follows:—

Monday—Science—Two fifteen-minute broadcasts by outstanding professors of science, such as Louis Bourgoïn and Leon Lortie who was recently elected chairman of the institute of chemistry.

Tuesday—Canadian History—First period: Lecture form. Second period: Drama illustrating first period.

Nature Study—Talks by professors of the Botanical Institute of Montreal.

Wednesday—Literature—First Period: Diction (dialogue form). Second period: Analysis of the plays to be broadcast the following Sunday—8 to 9 p.m.

Thursday—Geography—First period: Lecture form. Second period: Canadian economics—a series of 24 actuality broadcasts.

Friday—Music Appreciation—In a dialogue form illustrated by recordings, ensembles and soloists.

Sunday—Theatre—A series of 26 one-hour plays, from the thirteenth century to our present days. The series known as “Le Théâtre de Radio-Collège” will be a panoramic study of the evolution of the French theatre.

Then just by way of providing something of rather special information and as an illustration of what we are doing overseas, I would like to inform the committee that we are now in the middle of broadcasting the special series of feature reports on the Canadian Army manoeuvres overseas. Those began on the night of the 6th and they will go on until the night of the 14th. These feature broadcasts are part of the newsreel, the radio newsreel at 11.30 EDT.

There is just one addendum which I think would be of advantage to the committee to have, arising out of some points yesterday on the publicity for government departments. It may be said that the various government depart-

ments most immediately concerned with the war receive radio publicity in four ways. These are not necessarily listed in the order of their importance:

(1) Through their sponsored or "paid for" programs which for the most part are broadcast over a network of some 60 or more stations, and by the use of "paid for" spot announcements broadcast by the non-network stations (and a lesser number by the network stations).

By Mr. Graydon:

Q. You are referring to the government informational broadcasts?—A. Yes. Examples are:—

- (a) The Victory Loan campaigns;
- (b) The Wartime Prices and Trade Board campaign;
- (c) The "Voices of Victory" series of the Department of Munitions and Supply;
- (d) A spot announcement campaign sponsored by the salvage department of the Department of National War Services.

A statement showing the commissions paid to advertising agencies in connection with programs of this type is being prepared and will be presented by my colleague, Dr. Frigon. It takes a little time to get these facts out in the accurate and comprehensive form which the committee desires.

It may be of interest that programs relating to enlistment in any of the armed services, by mutual agreement between the C.B.C. and privately owned stations, have never been charged for.

(2) Through C.B.C. contributed programs. No charge is made by the C.B.C. or the stations comprising its network for either the physical facilities (station time or lines), or for the cost of the talent which is of course a direct expenditure by the C.B.C. out of its own revenues. It is not easy to estimate accurately the amount spent by the C.B.C. in this manner, but it is safe to say that at least one-third of the sum spent annually by the C.B.C. for its sustaining program service has in one way or another reflected the war in general and the work of government war departments in particular.

Examples of such contributed programs might be broken down into the two categories—(a) general and (b) particular.

Under the first heading—that is, general—such programs as "Carry on Canada", "Newbridge", "L'Histoire en Marche", and "Monsieur Balthazar" might be quoted as illustrations. There are frequent talks on both the French and national networks dealing with nutrition and consumer information. The farm broadcasts also tie in closely with any wartime problems of the Department of Agriculture.

Under the second heading, or programs relating directly to the work of government departments, the following are examples: (a) "They Fly for Freedom"—a series of feature programs in co-operation with the R.C.A.F. (b) "The Navy's Here"—a series of Sunday night programs featuring the work of the Royal Canadian Navy; (c) "Canada Marches"—and several programs under the general listing "A Day in the Life of a Recruit", in which the activities of all branches of the army were outlined; (d) "Canada's Answer"—a series of actuality broadcasts depicting the work of Canada's war industries; this series had its counterpart on the French network; (e) a series of programs supporting the salvage campaign in co-operation with the Department of National War Services; (f) the C.B.C. supports all war charity publicity campaigns by contributing its facilities and services on a free basis.

The statistical report on C.B.C. sustaining programs for the fiscal year 1941-42 will be tabled. A fairly comprehensive recapitulation of the war

programs broadcast by the C.B.C. is contained between pages 29 and 76. Pages 68-69-70 indicate the support given by the C.B.C. in connection with the First Victory Loan Campaign in May-June 1941. Pages 71-72-73-74 show the contribution made by the C.B.C. to the Second Victory Loan of February-March, 1942. It can be taken for granted that all programs listed in the section on war broadcasts were carried either on the National or French networks on a sustaining or "no charge" basis.

The C.B.C. also places at the disposal of the Director of the Office of Public Information five 15-minute periods weekly on its national network and two on its French network. No charge is made for network or studio facilities, but any talent cost is borne by the Office of Public Information. In these periods, the work of all departments of government is given prominence, but the selection of the material used is left entirely to the discretion of the Director of Information or his staff.

(3) Through station time and the services of the staff contributed by privately-owned stations.

This is by no means unimportant. It has been estimated that privately owned stations have given of their time and services to the extent of three times that for which they have received payment. I should like to pay tribute to the excellent job they have done and will, I am sure, continue to do.

(4) Through advertising contributed by national and local sponsors.

This has been a very valuable service to the government, but it is almost impossible to calculate how much such contributions represent in terms of dollars. It is no exaggeration to state that every sponsor at some time or another has included in his program appropriate mention of the wartime requirements of the government.

Now, Mr. Chairman, we come to the problem of short wave. Certain documentation was requested. We have prepared the material, and I would like to give you a short narrative of the negotiations for a high-power short-wave station, arranged in chronological order. This will show both what the C.B.C. has done to bring the matter to the attention of the government, and also the various steps that have been taken within the corporation to the end that we might go ahead as soon as we got the signal. I am tabling a number of documents which will be available for study by members of the committee, and which illustrate both these aspects of the problem.

Consideration of this matter was undertaken at the earliest stage in the existence of the C.B.C. There is a report from the engineering department commenting on the location and technical arrangements of a short-wave station, dated May 27th, 1937. In July of 1937 there was a letter from the executive to Mr. Brockington, then chairman of the board, setting out the reasons which made a short-wave station necessary and giving an estimate of costs.

By Mr. Graydon:

Q. What do you mean by the "executive?"—A. Either from me or from some members of the staff. It was Mr. Manson.

The CHAIRMAN: It was directed by the executive.

By Mr. Claxton:

Q. What is the date of that?—A. July.

Q. Which year?—A. 1937.

At the board meeting on August 5, 1937, the chairman outlined in detail the position with regard to a short-wave station, and expressed his belief that the government might consider providing the funds necessary to construct and operate such a station. The board unanimously approved and the chairman undertook to convey to the government the board's views together with figures as to costs of construction and upkeep.

After some personal conversations and correspondence, Mr. Brockington wrote to the Prime Minister on October 26, 1937, recommending the erection of a high-powered short-wave station in Canada, which was, he said, in his opinion a matter in which the state had a particular interest. He outlined the advantages of the step at some length and gave an estimate of cost. At that time the figure was \$350,000 for construction and from \$90,000 to \$130,000 for annual operating cost. This letter is tabled. I will read it.

(See appendix A to this day's evidence.)

By Mr. Hanson:

Q. What was the estimated cost? Is it in there?—A. Yes, figured at \$350,000 at that time for construction and from \$90,000 to \$130,000 for annual operating cost. I should add there that the problem of the cost of programs was not worked out as carefully then as it was later. This letter is dated October 26, 1937, from 737 Grain Exchange Building, Winnipeg.

In the course of the reading of the letter.

By Mr. Graydon:

Q. May I just interrupt to ask you to repeat that again as to the short-wave facilities of Britain.—A. This was in 1937.

Q. Yes, quite.—A. Three 50-kilowatt short-wave transmitters, two 20-kilowatt short-wave transmitters, one 10 kilowatt short-wave transmitter.

Q. Six altogether?—A. Yes, using 14 different frequencies. That has been very materially expanded since.

Q. Have you any figures to date on that?—A. I think Dr. Frigon will be able to give that. We should not explain precisely what the position is now, but we shall seek information as to what it was in 1939.

Q. Yes. I am sorry to interrupt.

At the ninth meeting of the board on December 9, 1938, the chairman emphasized the real need for a high-power short-wave station. He was authorized to take the matter up with the Minister of Transport.

The CHAIRMAN: Excuse me a moment, Mr. Murray. You are particularly interested in this, Mr. Slaght; as you have just come in, for your information I may say that Mr. Murray is giving in chronological order the events that transpired between the corporation and the government with reference to the short-wave station.

Mr. SLAGHT: Thank you, Mr. Chairman.

The CHAIRMAN: He has just read a letter, which is the opening of the remarks on it, from Mr. Brockington, the then chairman of the Board of Governors in 1937, to the Prime Minister. He will continue from there.

Mr. SLAGHT: Thank you, Mr. Chairman.

The CHAIRMAN: Is that right, Mr. Murray?

The WITNESS: Yes.

Early in 1939 the matter became increasingly urgent in view of the approaching visit of Their Majesties. In that connection I am tabling a memorandum from Mr. Bushnell, general supervisor of programs, addressed to me in February, 1939. Mr. Bushnell had been in England and while there had discussed the subject with Mr. Ogilvie, the then director general of the B.B.C., who told Mr. Bushnell that he was taking up the matter with the High Commissioner, Mr. Vincent Massey and also personally with the then Governor General of Canada, Lord Tweedsmuir.

The next document that I table is purely technical, but none the less important. It consists of comments on the situation in the 16-metre band supplied by the Radio Division of the Department of Transport, in February,

1939. Then follow internal memoranda on the subject of frequencies. I table these merely to show members the sort of considerations that are involved in matters of this kind and also the attention that they receive.

On August 28, 1939, I heard from R.C.A. that they had a complete 50-kilowatt transmitter on their hands, that could be set up in Canada in a few weeks' time. I told Mr. Howe that the B.B.C. were apprehensive about their short-wave installation, and that if we had in Canada a 50-kilowatt transmitter, something could be done to replace the B.B.C. apparatus in the event of its destruction. I suggested that an emergency might be the right time for acquiring such equipment. This letter, too, I table.

By the Chairman:

Q. You might state that the letter of August 28 from yourself was to the Minister, Mr. Howe.—A. Yes.

Q. Outlining the representations that have been made by the R.C.A.—A. Yes. Continuing:

On September 5, 1939, a revised estimate of costs was handed to the minister. I table a memorandum from the Assistant General Manager, Dr. Frigon, giving the new figures, and the reasons for the large increase—roughly from the previously quoted figure of \$350,000 for construction to \$460,000 at that date. Of course, the war was on.

Then there is a memorandum of the Radio Division of the Department of Transport giving a list of frequencies reserved at Berne for the C.B.C., but which had not then been assigned to Canada.

The next step that I will mention is on June 1, 1940. On that day the Finance Committee of the Board of Governors decided that a further application might be made to the government to have a 50-kilowatt transmitter installed by the government.

Then also in the summer of 1940, I gave evidence before the special committee of the senate on war cooperation. As a result of the evidence they heard, that committee urged the erection without delay of a 50-kilowatt short-wave transmitter. They referred in their recommendation to the fact that a most important section of the construction material was then available. I would refer to the debates of the senate, volume 78, of Monday, August 5, 1940, No. 39, in which the recommendation is set out.

On September 9, I wrote to the various members of the Board of Governors saying, "There is no sign of government action on the various recommendations for a 50,000-watt high-powered short-wave station." This memorandum I will table.

Then I table an international short-wave broadcast time chart drawn up by us; and, to show how we continued to keep up to date, a memorandum from the chief engineer on the availability of transmitters and the latest figures for costs revised to July 2, 1941.

Next there is a memorandum from the Assistant General Manager on July 3, 1941, giving further revised figures together with some notes as to the advisability of having the B.B.C. official in charge of Empire transmissions give us his advice on the location of a transmitter in Canada.

Then, on September 4, 1941, in my absence in England, the Assistant General Manager wrote to Mr. Thorson, Minister of National War Services. I should like to read that letter. (See appendix A to this day's evidence.)

There is enclosed a long memorandum which is just a recapitulation of everything that has happened, and gives a lot of quotations from comments and excerpts from *Hansard* discussions. The whole thing is set out there.

The next document is a memorandum from the General Supervisor of Programs.

By Mr. Slaght:

Q. Mr. Murray, have you conveniently at hand the reply to that letter you have just read?—A. There is no reply on record.

The next document to be tabled is a memorandum from the General Supervisor of Programs on October 3, 1941. This is a detailed study of program costs on such a station under various headings. On October 4, there is a document showing relative costs for a station located at Sackville and one at Yarmouth. These inquiries and investigations continue.

There are two documents under date of October 7. One that I will table is a reference to a meeting in Mr. Thorson's office on October 1, in which the Assistant General Manager explains an apparent discrepancy in figures. It is addressed to Mr. Robertson of External Affairs. Mr. Robertson had heard from an outside source that the cost of a transmitter was about \$125,000 and was surprised at our figure of over \$200,000; the difference was made up by 11 per cent exchange, 25 per cent duty, 8 per cent sales tax, transportation and war exchange tax, as set out in the letter.

The other document of October 7, from Dr. Frigon, I will read. (See appendix A to this day's evidence.)

By the Chairman:

Q. Is there a reply to that communication?—A. No.

This letter was accompanied and supported by a report to council giving detailed costs and by a map showing the direction and angle of the three beams that would be used in conjunction with a high-powered short-wave transmitter at Sackville.

To illustrate what other steps have been taken since that time, I will table the following documents:—

- (1) A letter from the Chief Engineer, 18th November, 1941, on the availability of transmitters.
- (2) A minute of the Chief Engineer giving advantages and disadvantages of various locations for a transmitter and recommending Sackville.
- (3) A report by Mr. Bushnell, General Supervisor of Programs, on Australian short-wave broadcasting, and its lesson for Canada. Mr. Bushnell in that recommended that the operation of such a station should be in the hands of the C.B.C., with direct propaganda broadcasts coming under the aegis of the Government (e.g. "Matter of Fact" or "Carry on Canada"). In any event control after the war should definitely be in the hands of the C.B.C.

Then to show how far we have gone in preparing for action when we get the signal to go ahead, I show the architects' drawings for the necessary addition to the transmitter building at Sackville. We have not got extra copies of that. Then for those who may be interested, I table a report drawn up by our engineering division on Radio Transmission Path and the Earth's Magnetic Field, a summary of present knowledge with respect to magnetic storms and their effect on short-wave transmission, with special application to the selection of sites for C.B.C. short-wave transmitting and receiving stations. There is also a report on short-wave reception in Canada from England. It takes the form of a summary of results obtained from measurements at Ottawa and Halifax.

Here is an opinion from Dr. Eric Estorick, who is head of the British Empire Section, Analysis Division, Foreign Broadcast Monitoring Service, Federal Communications Commission, Washington, who, at the instruction of

the United States' government, has been examining broadcast programs very carefully throughout the British Empire. On this specific point of the short-wave station, he has volunteered this opinion. I quote from a telegram:—

I feel after careful study of Canada, its people, its morale and its radio that there are five immediate reasons why Canada should have a short-wave apparatus.

By Mr. Graydon:

Q. What date is that?—A. Yesterday. It is a telegram I received this morning from Washington; that is dated the 9th.

Q. Who was it who signed that telegram?—A. Dr. Eric Estorick, who is head of the British Empire Section, Analysis Division, Foreign Broadcast Monitoring Service, Federal Communications Commission, Washington. It is a long title, but he is a well-recognized authority not only on this but on some other subjects, as he is the biographer of Sir Stafford Cripps.

By the Chairman:

Q. Is that telegram the result of a communication to this gentleman?—A. No. It came quite on his own.

Q. I see.—A. That was not asked for, I have read the first paragraph. Then he gives the five reasons as follows:—

First, it would bring Canada into the vast strategic orbit of United Nations broadcasting.

Second, it would give the world a concept of Canada that I did not learn for myself until I had the opportunity to travel from coast to coast.

Third, it would bring the dynamic plurality of Canadian culture directly into the United Nations struggle in a way that even the United States might envy.

Fourth, it would serve to fight the wedge tactics of Axis propaganda and,

Fifth, it would bring together the creative forces which are being generated throughout Canada at the present time.

That concludes my narrative of the history of what we have done about the shortwave business, and the documentation is available. I might just make this final observation on the program side of it, that of course if we go on the air internationally with a high-power shortwave system, we want to be able to take our place rightfully alongside the best shortwave services running, which means that we must put our programs out not only in a way that is acceptable to the listeners in various parts of the world, but at a time which is acceptable, which means practically twenty-four hours a day operation. That is one point.

The other point is this: that since these deliberations began five or six years ago, the relaying of programs locally has become a much more regular practice. In the beginning relaying of programs or their retransmission from shortwave into intermediate or longwave was not considered very seriously. In other words, the world broadcasters on the shortwave concentrated on the direct listener. I remember having something to do with the formation of the first shortwave service of the B.B.C., and we had not given any thought at that time to the retransmission on medium and longwave. That has come into the picture much more prominently, and that is far more important under present day practice than the direct listener, although the direct listener is not negligible. In other words, the question is highly important. For example, in South America the Germans were the pioneers. The Germans began relaying their programs. They arranged for relaying on intermediate wavelengths

and long wavelengths on their shortwave programs. The Americans have overtaken them; both Columbia and N.B.C. are operating networks by arrangement with South American broadcasters. That is the present day practice in South America.

By Mr. Graydon:

Q. Those American stations are owned by the United States' government and operated by one or another of the networks. Is that right?—A. Well, the transmitters from the United States, yes; but they have arrangements with the local broadcasters in South America to carry their programs.

Q. Oh, yes.—A. The transmitters are network transmitters. They are not owned by the government.

The CHAIRMAN: In this submission by Mr. Murray with reference to that there is a lot of memoranda here and some very important documents, others not so important. The one I refer to is the *Hansard* report of some of the comments with reference to it. What I want to have is a direction from the committee with reference to the printing of all this. Do you want it all incorporated in the records or might we omit the references from newspapers and *Hansard*? We have here a digest of the editorial opinions from the *Ottawa Citizen*, *Digby Courier*, *Regina Star*, *Financial Post*, *Financial Post* on two or three occasions, *Ottawa Journal*, *Regina Star*, *Windsor*, and the *Winnipeg Tribune*. Then we have extracts from *Hansard*, Mr. Reid, Mr. Tucker, Mr. D. G. Ross, Dr. Herbert Bruce, Mr. D. G. Ross, February 25, 1941, Mr. Thomas Reid. Do you want all those re-printed or may we delete them from the record? They are given as supporting the suggestion that a high-powered shortwave station be established.

Mr. GRAYDON: Are they very long remarks?

The CHAIRMAN: There is an enormous amount of printing to these references, you see. These letters to Mr. Howe and Mr. Thorson, and the technical report from Mr. Bushnell and Dr. Frigon and all those I suggest should be printed so we will have a record of them. That is the only matter that I thought might be deleted. Is it your pleasure, gentlemen, that these documents be contained in the record? If so, we will have them printed. Is that your pleasure, Mr. Graydon?

Mr. TRIPP: The *Hansard* extracts are already on record, and most of us have read the newspapers.

Mr. ROSS: Put in the references to *Hansard*; that would be sufficient.

The CHAIRMAN: Pardon?

Mr. ROSS: Put in the references to *Hansard*; that would be sufficient.

The CHAIRMAN: And leave out the newspaper columns?

Mr. ROSS: I don't know about the newspaper comments.

The CHAIRMAN: If we are going to have any of it have the whole of it.

Mr. ROSS: I cannot hear you.

The CHAIRMAN: I say if we are going to have any of it we might as well have the whole of it. All right, have it printed. (See Appendix A to this day's evidence.)

Mr. GRAYDON: We have not wasted very much paper in the last three years with the Radio committees.

The CHAIRMAN: All right, proceed; there is no use wasting time over this. Does the committee wish to continue the discussion of this subject and make an attempt to get it cleaned up? I would like to see some of these matters finally dealt with, and then we can proceed, if we want to proceed, in an orderly manner. It would be a good time now for such comments and such

questioning and such discussion as the committee may deem advisable with reference to the establishment of a shortwave station.

Mr. GRAYDON: I think the committee has pretty full information now with respect to the relationship between the government and the C.B.C. with respect to the shortwave stations. I agree with the chairman; I think we ought to perhaps exhaust our discussion with regard to that as soon as we can and get on with other matters of the committee's work.

Mr. Ross: Evidently the Canadian Broadcasting Commission, and certainly the management, have done everything they possibly can to forward the setting up of a shortwave broadcasting station in this country, and I think the government are the only people that we can query as to why it has not been done.

Mr. GRAYDON: It would appear from the evidence that has been adduced so far from Dr. Frigon and Major Murray that the Canadian Broadcasting Corporation has taken a good many steps with respect to this, and their recommendations on the subject are fairly clear. I was interested in Major Murray's remarks concerning the matter of cost because as I read the Canadian Broadcasting Act it is very clear that the question of a shortwave station for the purposes which have been mentioned would not normally come within the scope and field of the Canadian Broadcasting Corporation from the standpoint of expenditure because in section 8 of the Act of 1936 it is very clear as to the objects of the corporation where it says:—

The Corporation shall carry on a national broadcasting service within the Dominion of Canada,

and for that purpose may do certain things.

By Mr. Graydon:

Q. May I ask you this, Major Murray, is it fair to suggest that the C.B.C. has been for some considerable time and is now awaiting the signal from the government to go ahead with the matter of shortwave broadcasting?—A. That is precisely the position.

Q. That is assuming that the government will provide the money necessary for that national purpose.

The CHAIRMAN: And would it not be fair to say assuming further that the C.B.C. would be in a position to obtain a transmitter?

Mr. GRAYDON: I was going to come to that point, Mr. Chairman. As a matter of fact I thought Major Murray was somewhat optimistic in his report this morning having in mind the evidence that was given by Dr. Frigon before the committee because it would appear that there are two main obstacles facing us now at this late date. One is the question of being able to get on one of the international bands because they have already been taken up by other nations. The other point, of course, is the question of getting a transmitter for the purpose. If I recall Dr. Frigon's evidence he was not at all optimistic about the possibility of getting a transmitter now. The last one I think was available the first part of this year and has now been disposed of, and there is no assurance, as I take it, that can be given to the committee that a transmitter of the short wave type is now available at all.

By Mr. Graydon:

Q. I would like to ask Major Murray this. This thing is much more than simply a national matter. It is a matter which concerns not only the Empire but the United Nations as well having in mind the evidence you have given. Do you know of your own knowledge whether or not the government of Canada, or the Board of Governors or the C.B.C. management, at any time sought the advice of the British Broadcasting Corporation on this point or any other authority having Empire-wide supervision of radio matters or propaganda

matters, if you like.—A. Well, as mentioned in that letter of Mr. Brockington the board through Alan Plaunt had then been in touch with the B.B.C. when Mr. Plaunt was in England.

Q. What year was that?—A. That was 1937. Then, during both my visits to England, 1939 and last year, I had conversations with Sir Noel Ashbridge, Chief Engineer, and the Director-General of the B.B.C. on those points, and I also had some conversation with Sir Campbell Stuart who was in charge of Empire communications. I don't know to what extent the Canadian government had negotiations on that.

Q. What was the view of the British Broadcasting Corporation with respect to the setting up of a short wave station in Canada?—A. They were very strongly in favour of it.

Q. How long have they been in favour of a short wave station here as expressed?—A. They felt the need of it more just at the beginning of the war than more recently because I think they have taken certain measures.

Q. Did you know of the opinion and feeling of the British Broadcasting Corporation on that point at the beginning of the war?—A. Oh yes, I was aware of that probably more than other people would be, having worked for the B.B.C. They were naturally rather reluctant to intervene in a way which might be resented.

Q. I can quite understand that, but they would not be reluctant, of course, to give their advice to you after it had been sought, no doubt, and having obtained their advice with respect to that did you communicate that to the proper government authorities?—A. I think that all comes in the documents that are filed. There is a reference to that in the documents.

Q. In other words, there was no doubt that the government through the opinion given by the Canadian Broadcasting Corporation officials, including yourself—there is no doubt that the urgency of the matter was brought to the government's attention?—A. Oh, I think that is true. There is just one point, if I may go back to the situation with regard to transmitters. It is not quite as tragic as was represented the other day. I wonder if you would care for Dr. Frigon to deal with that at the moment?

Q. Yes.

The CHAIRMAN: Bring it up to date.

Dr. FRIGON: As I said the other day the picture changes every day. We were told yesterday that the R.C.A. were about to start production on some six or eight transmitters.

Mr. GRAYDON: Short wave transmitters?

Dr. FRIGON: Yes, and they could add two transmitters and could deliver within about ten months provided there would be priority, A1 or A1b priority covering the purchase. That means if within a number of days or weeks an order is received they add those two transmitters to their present production. If we wait until they are too far advanced we may have to wait for another number of months before they start another group of transmitters. That is the way it goes.

Mr. GRAYDON: How long have we got to put in our order for these transmitters, Dr. Frigon?

Dr. FRIGON: Well, I have not received any definite information on that but I would say probably within three weeks or a month, I suppose.

Mr. GRAYDON: Three weeks or a month.

Dr. FRIGON: I do not believe they would be far enough advanced in their production by that time to stop them from adding two more transmitters to the group.

Mr. GRAYDON: Mr. Chairman,—

Dr. FRIGON: May I just add this? Suppose tomorrow another country orders two more transmitters; then we are out because they cannot handle more than just so many at a time. That is why the picture changes so frequently. If tomorrow China orders two transmitters that probably would bring them up to their capacity. That is why I say three weeks. That is, provided those facilities are not too much overcrowded before that.

Mr. GRAYDON: Mr. Chairman, that brings this point up in my mind. I think I have had more anxiety over this question of our deficiency in short wave broadcasting than almost anything that has come to our attention for a good many months. I think everybody on this committee realizes the extreme seriousness and urgency of this matter, and I am not so sure but what this committee has some responsibility now that it knows the exact situation with respect to this. The C.B.C. has done what they could apparently to urge and appeal to the government to make some move quickly before the last chance is gone. I would make this suggestion, Mr. Chairman, and I would like to have your comments on it, as to whether or not this committee now having before it the evidence of Dr. Frigon that it may be a matter of days, or perhaps three or four weeks, that this committee might seriously consider drafting this morning an interim report for submission to parliament urging this one particular point above all other points that have come out in this evidence. That is in order to bring before the attention of parliament and before the attention of the government the extreme exigency of the situation as it exists.

I rather feel that we, as members of this committee, now have a responsibility that we must discharge. Previously we had not because the information was not in our possession, but I believe it is a matter which should come at once before the parliament of Canada. I think it should come before them this afternoon, and I think an interim report should be brought in so that the government will be apprised of this very, very serious matter. No matter what we may say to the management of the C.B.C. they can do nothing. They are powerless to do anything on this point. There is only one authority that can deal with this entire matter, and that is the Cabinet Council itself. If the government then decides that it isn't sufficiently urgent that the money should be spent or that an appropriation should be made for that purpose then the responsibility again rests on the administration, and with their wide knowledge of the matter I think we then can do nothing more than simply express our opinion as to the feasibility or otherwise of the proposition. I do think, Mr. Chairman, this matter has now reached the stage where we can no longer temporize with respect to the matter of short wave broadcasting. I am quite sure the management and Board of Governors of the C.B.C. would welcome that move being made by this committee this morning. I would be very pleased, indeed, to have the comments of the chairman and the members of the committee with respect to it because we are only here for one purpose and that purpose is to try and do the best we can for Canada at this time. I think we could not do a better thing than to impress upon the government the extreme urgency of the situation because they may not have the advantage we, as members of the committee, have with respect to hearing verbal evidence. I think, having heard that verbal evidence before the committee, that the government ought to be apprised of it and should know our recommendation and how seriously we feel on the point.

Mr. ROSS: Mr. Chairman, I agree with Mr. Graydon. There are just two things I would like to ask Major Murray. One is this; it has been represented to me on various occasions, not by the C.B.C., that there was some British government opposition to this, and that is the impression which I have had in my mind. I don't know just who it was with, which one of the Cabinet Ministers, but in conversations that is the impression I received, and I would like to have that situation cleared up.

There is another thing, too. In asking a question on the floor of the House about this thing of Mr. Howe he replied it would cost something like \$2,500,000

to construct a short wave broadcasting station in this country. I would like to know why he did that. I would like to know why he said that. It is in *Hansard*. I have not *Hansard* here with me but my recollection is he said it would cost, \$2,500,000. That is out of line altogether with the evidence we have now. I agree with Mr. Graydon that we have been pressing for a short wave station for a long time. The broadcasting corporation have been doing the best they can to do something about it, and we ought to have discussion on this thing and just find out why the government of this country have not acted. To my mind they have been very remiss in their duty in not acting long before this, and especially at a time like it is now. I thoroughly agree with Mr. Graydon that we should draft an interim report along the lines that he suggested just now. As a matter of fact I would like to move that, or he can, if he so desires.

Mr. GRAYDON: I thought perhaps we could have the consideration of the committee first and get their opinions on it first, and then it is a matter of deliberation anyway before the report is actually drawn up.

The CHAIRMAN: Any further comment?

By Mr. Tripp:

Q. Mr. Chairman, I understand this recommendation for a Canadian short wave broadcasting station came from the B.B.C. and not from the British government; is that right?—A. I think the B.B.C. was interested from its own point of view but I do not think they originated the proposal. They heard the matter was under deliberation and they offered to send their expert referred to in one of the letters I read from Dr. Frigon. Mr. Hayes, their staff engineer, was going to come out and help us to handle the project once it was approved of in principle. They were always interested in it but I do not think it would be fair to say they originated the proposal, and so far as I know the British government did not appear in the picture but it would not have been hostile in any event.

Q. Did not appear in the picture at all?—A. As far as I know, but I do not think they would have been hostile.

The CHAIRMAN: Commercially it would be good business for the B.B.C.

Mr. Ross: My impression does not come from the B.B.C. It has always been suggested and hinted there was opposition by the British government, but as far as you know it is not so?

The WITNESS: If there was I know nothing of it, and I should think it is highly unlikely but I have not got access to all the evidence.

By Mr. Graydon:

Q. You cannot conceive of any reason why the British government would be opposed to the setting up of a short wave station in Canada?—A. On the contrary, I can think of no reason at all.

By Mr. Ross:

Q. On the other hand you can see plenty of reasons why they would like to have it.—A. Yes.

By the Chairman:

Q. Major Murray, I presume if we had a short wave broadcasting high powered station here that one of the countries we would seek to contact for commercial purposes and for propaganda would be South America?—A. Certainly.

Q. Is it a fact that very few of the radios used in South America have short wave facilities?—A. The answer to that is, as I have tried to explain before, Mr. Chairman, you get to South America by re-transmitting your signal over their medium wave transmitters.

Q. It is re-broadcast?—A. It is re-broadcast. We are doing programs now through American facilities. There is another one on the first of July to the Argentine. There is an explanation about that \$2,500,000 which you might like to have.

Dr. FRIGON: Would you like to have an explanation of the quotation of \$2,500,000 stated by Mr. Howe?

The CHAIRMAN: Yes.

Dr. FRIGON: I believe that was prepared by us, and I believe that instead of two transmitters and three aerials it refers to the use of four transmitters and nine aerials and an underground building. Instead of having two transmitters and three aerials that we are planning on for \$800,000, if we had four transmitters, an underground building and nine aerials, nine antennas, that would cost probably \$2,500,000.

Mr. Ross: Within any bounds of possibility would we ever need nine?

Dr. FRIGON: It is a more complete service.

Mr. Ross: For all useful purposes that \$800,000 proposition would be all that is needed?

Dr. FRIGON: \$800,000 presumably would give certainly good service. It would not be as extensive as these big centres in Europe, as in England and Germany.

The CHAIRMAN: What date was it that Mr. Howe upon the information that was given by you made the statement that it would cost \$2,500,000?

Dr. FRIGON: I don't really know.

Mr. Ross: I don't remember Mr. Chairman. I have a vivid recollection of it. I could not tell what date it was. I have not got *Hansard* here.

The CHAIRMAN: Has modern technique been a factor in the change in the plans or in reduction of cost from the time that estimate was made up until the present time?

Dr. FRIGON: The difference depends exclusively on the extent or importance of the centre. The \$800,000 takes care of a certain size centre and the \$2,500,000 takes care of a much larger and much more important broadcasting centre.

Mr. TRIPP: In other words, the \$800,000 would likely grow to \$2,500,000?

The WITNESS: No, it is a different conception.

The CHAIRMAN: Different plans entirely; the point is that Mr. Howe when he made the statement of \$2,500,000 was acting upon the advice of the C.B.C. and gave the figure which was given to him.

Mr. Ross: At the same time did he have some information with respect to the \$800,000?

Dr. FRIGON: May I correct this?

Mr. Ross: I would like to know this, Mr. Chairman; did he have the information with respect to the \$800,000 transmitter at that time, at the time he answered in the House it would cost \$2,500,000?

Dr. FRIGON: May I say this, that I presume he used our figures because this is our own estimate. I don't know who gave it to him, but our own estimate for what I said there is for over \$2,000,000, so it corresponds to his own figures. Whether he based the statement on our figures or something else I don't know.

Mr. Ross: Dr. Frigon, the only thing I have in mind in that connection is this, that if the public of Canada knows that it is going to require an expenditure of \$2,500,000 to do this job they are satisfied that probably we should not do it because taxes are high. The impression that has got about amongst the public of this country is that it is going to cost \$2,500,000, and if

the public of the country had known at the time that it was going to cost \$800,000 public opinion certainly would have built up to a greater extent if it was only \$800,000 as against the impression they got that it would be \$2,500,000. That is what I am getting at. I do not think that impression should have gone out. I do not think the answer I got in the House of Commons, as a matter of fact, was sufficient for my question.

Dr. FRIGON: We have recommended the \$800,000 plan, and I am explaining to you how it could be \$2,500,000.

Mr. TELFORD: Mr. Chairman, would it not be advisable to hear Mr. Howe's evidence?

The CHAIRMAN: Yes, arrangements have been made that Mr. Howe will appear before the committee before we have completed our sittings. The matter can be reverted to at that time and have Mr. Howe's opinions on it.

Mr. TRIPP: Mr. Chairman, how can we as a committee bring in an interim report without having Mr. Howe's side of the picture as well as what has been presented to us?

Mr. Ross: If we do bring in a report we will probably get Mr. Howe here to answer it. I think the thing is of great importance, and it has been stalled for so long, and there are many other things too. For instance, the broadcasting corporation at the present time are seriously handicapped in connection with reciprocal arrangements with other countries by not having our own broadcasting station.

Mr. TRIPP: That may be. I am not arguing that point at all, but how can we bring in a report with only one side of the picture?

The CHAIRMAN: At best any report that would be brought in now—

Mr. Ross: Mr. Chairman, here it is, March 21, 1941.

The CHAIRMAN: Order, please; I am answering Mr. Tripp. I say at best any report now would be incomplete. It is a question of the advisability of making an interim report before we have all the evidence and information that would put us in a position to make an intelligent interim report.

Mr. TRIPP: That report as we would send it in today would be a recommendation that a shortwave station be established?

The CHAIRMAN: I don't know what is in the mind of the gentleman who suggested it.

Mr. TRIPP: How can we recommend a station without having the other side of the picture?

The CHAIRMAN: All right, Mr. Ross.

Mr. Ross: He says here in answer to me—

The CHAIRMAN: What is the date, please?

Mr. Ross: The 21st of March, 1941. Mr. Howe says:—

It all depends upon what sort of station is required. We had in mind a 50,000-watt station, which my hon. friend is quite correct in saying would cost about \$500,000, but the sort of station Britain discussed with us was four 50,000 units, similar to the station at Daventry, and that cost about \$2,500,000.

That is what he said. What I am trying to get at is I do not think that impression should have gone out to the country. The point about that was that was not the type of station which we ever needed in this country. That is my point about it.

The CHAIRMAN: Do you suggest that the minister was attempting to convey a wrong impression?

Mr. Ross: No, I do not say that. I say that his answer was as I have quoted it. I do not think he should have said anything about a two and a half million dollar station.

The CHAIRMAN: However, he will defend himself when it comes up. Is there any further discussion along the lines suggested by Mr. Graydon?

Mr. GRAYDON: Mr. Chairman, if there is no further discussion on the matter, in order to bring it to a head I should like to move that this committee, in view of the evidence adduced before it, submit to parliament today an interim report pointing out the extreme urgency of implementing the report of the Parliamentary Radio Broadcasting Committee of 1939 with respect to the immediate establishment by the government of a shortwave broadcasting station in Canada.

The CHAIRMAN: Is there a seconder for that?

Mr. Ross: I will second it.

The CHAIRMAN: It is moved by Mr. Graydon, seconded by Mr. Ross, as you have heard. I may say, Mr. Claxton, for your information, that this matter was suggested by Mr. Graydon and there has been some discussion; the motion is now before the chair. If you wish to discuss it, this is your opportunity.

Mr. CLAXTON: I am thoroughly in agreement with it in principle, Mr. Chairman; but I do not know about making a report to parliament to-day.

The CHAIRMAN: No.

Mr. CLAXTON: Would it not be advisable to have this as notice of motion, and take it up to-morrow, if we are to meet to-morrow?

The CHAIRMAN: Yes, at the next meeting.

Mr. CLAXTON: At the next meeting.

Mr. Ross: Perhaps, Mr. Chairman, the question of the availability of transmitters might be explained to Mr. Claxton. That perhaps will give him some idea of why we consider there is some urgency in the matter. The position is that we should get our name down for a transmitter to-day and not the day after to-morrow. We might not be able to get it then. Next Monday the opportunity might be gone. I think that is right, Dr. Frigon.

Mr. GRAYDON: I should like to see it dealt with by cabinet council as soon as possible. There is no desire on my part to embarrass the cabinet or the government at all. After all, this is long past a stage of that kind. I should like this committee to be a little different from some committees I know of; that is, I should like to see them do something to-day instead of to-morrow or the day after. This has been the whole policy with respect to shortwave broadcasting. Everything has been done tomorrow, and tomorrow never came. Let us as a committee get to grips with this thing. It is serious. It is a matter of national interest and concern; not only is it a matter of national concern, but it concerns the whole Empire. I think that no harm can be done, and I think that certainly a great deal of benefit and advantage can be derived by bringing this forcibly to the attention of the government at the moment; because it is unusual to have an interim report of this kind. Only in the matter of extreme urgency, I think the government would recognize at once, would a committee bring in a report such as that. If it were a question of the matter being embarrassing to anyone, I would be the last one to even make a motion of that kind. But I really believe that you will get action, and it is action that we want. I think we will get action by not delaying this thing past to-day. Let us submit it to parliament.

The CHAIRMAN: Is there any further comment?

Mr. CLAXTON: When is it intended that the committee should meet again?

The CHAIRMAN: We should like to have another meeting this week, probably Friday.

Mr. CLAXTON: Not to-morrow?

The CHAIRMAN: No, not to-morrow. There are other arrangements that prevent it. I think probably the matter might be delayed until our Friday meeting, and we could have further discussion of it. I am in agreement with the expression of opinion by Mr. Graydon and by other members of the committee with reference to it, that time is the essence of the thing.

Mr. GRAYDON: Yes, it is.

The CHAIRMAN: It might serve a very useful purpose by bringing it to the attention of the government at this time rather than waiting to incorporate it in the final report. I do not think that there is such urgency to-day especially that it be brought to parliament; because, as all members know, one of the most important matters politically and nationally is coming up for discussion to-day, and while this report would be presented, there would not be any opportunity to discuss it or even to make a statement on it. I think probably if we left it until Friday, we would have time to think it over; and if the motion carried, something can be drafted along the lines suggested by the mover of the motion. Are you ready for the question?

Mr. Ross: Mr. Chairman, if we do not have this meeting until Friday we will make our motion then, and it will not be brought up in parliament until Monday. There are those days that are lost. We are at war just now, and every minute counts. Having in mind the evidence we have had to-day, I do not see any good purpose is going to be served by delaying action on this thing. I do not see any reason why what is proposed should not be done; that is, if the committee are in favour of a shortwave broadcasting station for this country.

The CHAIRMAN: There is not any likelihood of it being discussed at all to-day, or Thursday or Friday or Monday; because when you submit an interim report it does not come up for discussion unless a motion is made for the adoption of the report.

Mr. GRAYDON: I should not like to see any long-winded discussion in parliament over this. I should like to see this brought forcibly, in an unusual way, to the attention of the government, so that when they meet to-morrow at noon in their cabinet council, this thing will be the first thing that will come up on their agenda.

The CHAIRMAN: Would it serve the same purpose if the matter were brought immediately to the attention of the two ministers concerned, with an expression that the committee desires that it be brought immediately before the cabinet council?

Mr. GRAYDON: I will tell you what I would suggest. If it is a question "to-day", so far as submission to parliament is concerned, I should be glad to change or amend the word "to-day" and say that the committee submit it immediately to parliament. That will be there on the record and will bring it before the attention of the government. I do not want to start a debate in parliament. I do not think we should have a debate on it at all. It is nonsensical to think of that at the moment. The thing we want to get is some action, not a lot of talk. We have heard of the extreme urgency of it. Let us get it to the government as quickly as we can. I will use the word "immediately". That will give you whatever time you like for submission to parliament.

The CHAIRMAN: That could be done through the medium of the ministers.

Mr. GRAYDON: Quite.

The CHAIRMAN: Would that be satisfactory?

Mr. TRIPP: A report would be made to the minister and not to parliament?

Mr. GRAYDON: We have no right, as a committee, to report to any minister. Our only reference comes from parliament and must go back to parliament.

The CHAIRMAN: As a matter of fact, the C.B.C. can easily protect themselves with the R.C.A. by means of securing an option for a certain number of days on a transmitter.

Mr. GRAYDON: I took up that question of options with Dr. Frigon before; and he, I think, very properly pointed out that options in these days of the priority race are very elusive things. I really think that what the government will have to do is to put an order in at once for that transmitter, if they are going to go ahead with this thing. Then if they have to do it, they can always cancel it afterwards; because there will be plenty of competitors looking for transmitters at this time.

Mr. Ross: As a matter of fact, I do not think it is a question of an option, Mr. Chairman; because as Dr. Frigon said, they were advised by the radio company that they would be in a position to add two or three more transmitters to the ones they already had in production about the same time. Is that right?

Dr. FRIGON: Yes. I believe we could obtain from them an undertaking that they would not commit themselves to any other country for a few days, without notifying us.

Mr. TRIPP: You said three weeks, did you not?

Dr. FRIGON: What I mean is we could ask them not to commit themselves to sell any more transmitters to another buyer within a couple of days.

Mr. TRIPP: You said a few minutes ago that you could put that order in any time within three weeks.

Mr. GRAYDON: No, he did not.

Dr. FRIGON: I said if you were to allow the thing to drag along for more than three weeks or a month, they would be so well advanced in production, it would not be possible to add to the present group.

Mr. TRIPP: Meaning that you could put that order in within three weeks and still get it through?

Dr. FRIGON: Yes.

Mr. GRAYDON: He said everything changed day by day.

Dr. FRIGON: Providing no others got in first.

Mr. TRIPP: What I want to get at is the urgency of to-day or one or two days from to-day. That is what I wanted to get at.

Dr. FRIGON: What I said is that I am sure if we got in touch with the R.C.A., they would promise us that they would not commit themselves for these new transmitters within a certain number of days; at least they would tell us before they committed themselves for the new production.

The WITNESS: Some protection can always be secured by conversation. We have their goodwill in that regard, of course.

Dr. FRIGON: For instance, they might notify us within the next few days, "Well, we are being asked to produce two more transmitters. Are you ready? If you are not ready, we will accept these new orders." We may obtain that undertaking from them that they will notify us.

Mr. GRAYDON: I do not think we should leave this over at all. It has taken the government two and a half years to make up its mind on this thing since the war broke out. I think we had better get it in to-day as quickly as we can, because I do not know how long it will take them to make up their minds on this now.

Mr. CLAXTON: My position is briefly this. I am in favour of a shortwave transmitter, as is indicated, I think, by the fact that I first brought the question

before the committee at page 113 of the evidence. I think it is probably on record. It is certainly clear that this has been before the government for two years or more; possibly for five years. For some reason or another the government has not acted on the recommendations of the corporation. We have had evidence and discussion before this committee which only reinforces my own view that a shortwave transmitter should be built at the earliest possible moment. I think that is the view of all the members of the committee who have expressed themselves on it, so that we are in agreement with Mr. Graydon in principle. It is just a question of procedure. The government will undoubtedly have to consider this, and I take it that they will want to reconsider it in the light of the evidence and discussion that we have had in this committee. We know that the evidence of Major Murray, which has been given to-day, will not be printed for three days. It contains the main bulk of the story of the shortwave transmitter. I suggest that a delay from now until Friday, to pass this motion or to put it before parliament in the form of a report, will not jeopardize the situation in any way, shape or form. I think that Mr. Graydon can take it that he will have my strongest support for the motion when it is put forward on Friday or at any other time. But I do suggest that I personally would like further time to consider the procedure, in view of the fact that unfortunately I had to attend another meeting a few minutes ago and did not hear all the evidence and have not had, of course, any notice of the motion being put. Therefore, I would ask Mr. Graydon if he would not agree to put the thing now as a notice of motion that we can vote on at the next meeting of the committee, and that we should have that next meeting just as soon as possible. By that time, the evidence of to-day's proceedings should be printed,—certainly it would be very close to being printed,—and we will be in a position not only to put in a report but to support the report with the evidence that the committee has had, after having had an opportunity to read the views that have been expressed here. So I ask Mr. Graydon if he will not agree to allow this to stand as a notice of motion, and let us have the motion itself and the report which can be drafted in the interval and submit it to parliament the same day as we deal with it, if the motion passes.

The CHAIRMAN: Would you be content with that, Mr. Graydon?

Mr. GRAYDON: Mr. Chairman, I have a very high regard for Mr. Claxton's judgment in matters of this kind. I know his fairness and I know what his desire is. But, Mr. Chairman, I have such a keen anxiety about this matter that this is one time where I feel that I do not want to withdraw this motion. Perhaps one's judgment sometimes is warped by the keenness of his personal feelings on a matter of this kind. I feel so keenly about the urgent necessity of this committee dealing with this thing and coming to grips with it now, that I feel that I want to have this motion put to a vote. I do not think it is a question of procedure. Surely there is nothing in the way of procedure that is of importance in this thing. In wartime the question of procedure takes second place in matters of national concern. I think that this is a time when we as a committee should claim for ourselves that we can cut red tape on this business. Let us bring this business before the government. Let us get action at once. What will happen in the next two days, for instance, if we find that the transmitters which have now been spoken of by Dr. Frigon and Major Murray have gone? We have got a limited time to retrieve our position. That is the reason that I think we cannot afford to temporize even for a couple of days, now that we are seized with a certain responsibility and duty as a committee. I think we are remiss as members of this committee if we do not, as soon as that evidence comes in this morning, make some move with regard to this. I had no intention of making a motion of this kind until I heard this evidence to-day, because I had taken it for granted from what Dr. Frigon had said, that our time had passed and that the question of getting transmitters, was pretty well a thing of yesterday instead of to-morrow. But now we have this last chance, Mr. Chair-

man, I plead with the members of this committee to pass this motion. If there is any different wording desired, or if members want to put in it anything whereby they want to protect the government, or if they want to in any way soften the blow, that is all right with me. Let us take out anything that may be embarrassing in it. I have no desire to do that at all. I will change it in any way, shape or form. But I do want this committee to-day to take a formal stand and an immediate stand on the points that I have raised. That is clearly my position, and I mean every word that I say.

Mr. RENNIE: Mr. Chairman, I feel that, as far as Mr. Graydon's proposed resolution is concerned, in principle it may be quite all right. But it strikes me that there are two sides to the picture. Before I could support a resolution of this kind I should certainly want to see the other side of the picture. I would think that the government have some viewpoints on this particular question, and I should not like to support this motion at the moment, without seeing something or having some of the information that I would like to have, viewing the picture from both sides. Under those conditions, and feeling that there is no great necessity at the moment for rushing this through, I would have been very glad if Mr. Graydon had left this over until the next meeting. But unless he feels that he wishes to do that, I must say that I shall have to vote against the resolution.

The CHAIRMAN: How would the suggestion be if it were left over until Friday; then have Mr. Howe here and Mr. Thorson, and have the opinions of the ministers with reference to it?

Mr. Ross: As seconder of Mr. Graydon's motion, I feel exactly the same way as he does. I think we have had the evidence here before us.

The CHAIRMAN: You have heard the evidence, which is verbal. Your memory is probably a good deal better than mine; but personally I should like to review it so that if the necessity comes for my backing up, as chairman, an interim report that we will make, I shall be in a position to do it without depending entirely upon my memory from having heard this. I would rather have the opportunity of reading it and studying it. Then I would be in a position to back up any recommendation that the committee would make. I do not feel that I am in that position today. I endorse the principle of Mr. Graydon's motion. It is not a new principle. That is part of the report that was made in 1939, but for reasons of economy and expenditure, along with other reasons, the government has not seen fit to follow or to implement that report. They may be in exactly the same position at this time. They are certainly not going to give a hurried answer to a question that involves a great expenditure, along with other national considerations. The urgency is not such, in my judgment, that it must be dealt with today.

Mr. Ross: If you will allow me to do so, Mr. Chairman, I should like to make a few further remarks. I have on various occasions in the House of Commons brought this same subject up at the very earliest time. In one session, I think it was 1940, I brought it to the attention of the Prime Minister on his estimates on external affairs. The Prime Minister answered me by saying that he was very much surprised that he should have to answer a matter of that kind, in connection with shortwave radio, and perhaps some time in the future at the appropriate place I would get an answer to it. In the same way as Mr. Graydon, I have brought this thing up several times and we have had no action at all. Now we come along to a position like this. We have heard the evidence. The urgency is there, as is brought out in the evidence; and I do not see, Mr. Chairman, what difference it makes anyway, even if we do listen to Mr. Howe or somebody else. He may have some reasons for not wanting it, but I do not think it will do any harm anyway, because the

broadcasting corporation themselves have brought it to the attention of the government so often. I do not see any reason why we should delay for one minute. I think we would be very remiss in our duty if we did let it go over for two or three more days. It is just a question of time.

The CHAIRMAN: Would you read your motion again, Mr. Graydon?

Mr. GRAYDON: I have not a copy of it.

The clerk reads motion:

Moved by Mr. Graydon, seconded by Mr. Ross (*St. Paul's*) that, in view of the evidence adduced before it, this committee submit to parliament immediately an interim report pointing out the extreme urgency of establishing at the present time a shortwave station in Canada.

The WITNESS: It is a high-powered shortwave system.

The CHAIRMAN: Yes, a high-powered shortwave system. Is there any further discussion of the motion? Are you ready for the question? Those in favour of the motion? Opposed?

The motion was negatived.

The CHAIRMAN: I might say that this does not by any means end the question. It is more a matter of time. I still agree with you that the suggestion is very good, but I do not see the urgency for the presentation of that report in the same light as you do at this time.

Mr. GRAYDON: I appreciate that.

Mr. CLAXTON: However, I think there is this to be said. If the committee is in favour of having a shortwave transmitting system, it would be a most valuable thing to put this view, as Mr. Graydon has suggested, in the form of an interim report.

The CHAIRMAN: I think so.

Mr. CLAXTON: So that it is not left until the last days of the session.

The CHAIRMAN: Yes.

Mr. CLAXTON: I certainly think that we should take this up again at the next meeting; and if you or anyone else thinks that the ministers should be brought here so that we may hear the other side of the case or what their opinions are, then I think they ought to be notified that this will be considered at the next meeting and if they have anything to say, then is the time to say it. I hope Mr. Graydon will feel that he has not lost the battle, although he may have lost this particular engagement.

The CHAIRMAN: If it is the wish of the committee, we will follow along the lines suggested by Mr. Graydon.

Mr. GRAYDON: Mr. Chairman, may I make one further suggestion. I still feel very keenly on the thing. I am sorry I have not been able to convince the other members of the committee to see the way I do on it, and I can appreciate their views very fully. I should like to make this suggestion to you, Mr. Chairman, that to-day you have an interview with both of the ministers connected with the C.B.C. and impress upon them the fact that this thing was considered so urgent and of such an extreme character that the committee deliberated at least on the point of bringing in an interim report to parliament, a most unusual thing. I should like you to point out to them the earnestness with which this discussion was characterized, and that so far as we were concerned the only thing we are anxious to have is action by the government one way or another. If the government feels that there is some obstacle that they cannot possibly overcome, that is a matter that I do not think we can very well complain of, except in a general way. I should like you, if you would, as chairman of this committee to-day, before any more time is lost, bring that to the attention of those two ministers and see if that

cannot be brought up at cabinet council to-morrow, pointing out particularly the evidence of Dr. Frigon, that the question of transmitters and their availability changes day by day. I know that in your eloquent and convincing style you will perhaps be as convincing as a resolution of the committee, and perhaps more so. I should like if you would do that, because I think that will at least carry out to some extent what I had hoped would be carried out by the committee this morning.

The CHAIRMAN: I shall be guided by your suggestions. Now, we may proceed.

By Mr. Graydon:

Q. Major Murray, have you finished your statement—A. Yes.

Q. Has the Canadian Broadcasting Corporation management had any information from the government with respect to the setting up of a new branch of publicity so far as governmental information is concerned? I perhaps should supplement my question by saying this, that in the *Ottawa Journal* this morning there is a news item which states that Leonard Knox, thirty-seven-year-old former newspaper man is organizing a new branch of the Bureau of Public Information, aimed at co-ordination of the information issued by the various departments of government, it was learned Tuesday and it goes on to speak of Mr. Knox's qualifications. I was wondering if you had heard, as manager of the C.B.C., of that latest development?—A. No, I have not.

Q. You have not heard that?—A. No.

Q. During certain questions last night in the house relevant to the Department of Agriculture, the Minister of Agriculture, discussing the question of publicity and radio publicity relative to his department, entered the debate with respect to the matter of the inter-departmental committee. I took it from his remarks, although I have not read *Hansard*, that some development was afoot with regard to the matter which was brought up here at a previous sitting of this parliamentary committee; that I presume would be along similar lines to that method followed by the United States as was spoken of yesterday.—A. I have no information, Mr. Chairman, beyond what I gave already in evidence, namely, the procedure of inter-departmental committee being developed with the prospect of a point of reference emerging which would be parallel to that of the United States' practice.

Q. I am hopeful, Mr. Chairman, that all of our recommendations and all of our pressure in the committee here will have as good results as the discussions which took place two or three weeks ago, if we are going to actually have some real scheme of canalization of governmental information. I thought it was long overdue, and I know from Mr. Thorson's evidence that he felt much improvement could have been made. I am glad to know that there is going to be a change.

Now, Major Murray, I wanted to deal with another matter, if I may. You are, of course, general manager of the C.B.C. Do all department heads in the corporation report directly to you?—A. That is set out in that organization chart that was circulated. They do not all report directly to me.

Q. I have the chart here somewhere. The chart isn't in evidence and I do not suppose it can be put in evidence. Without referring to the chart, Major Murray, because after all for those who may read this afterwards the chart isn't clear in their minds, may I just repeat the question? Are the department heads required to report directly to the general manager under the present structure?—A. No, not all.

Q. As I take it those department heads whose supervision covers policy, programs, press and information and station relations are the only ones that report directly to you?—A. And regional representatives.

Q. And regional representatives?—A. Yes.

Q. Well, on the chart that was filed regional representatives do not appear as a separate category. In the report which was made by Mr. Thompson in September, 1940, he made a summary of recommendations after having made a very careful survey of the C.B.C. structure, and in No. 5 of that summary of recommendations he recommended that the department heads be required to report directly to the general manager. In respect of that point therefore the report of Mr. Thompson was not carried out.—A. That is true.

Q. In No. 4 of the summary of recommendations of Mr. Thompson he went on to say that in his opinion the duties of the assistant general manager should be enlarged so that he may assist the general manager in the administration of all departments and activities, having in mind the national character of the organization. Now, from a practical standpoint actually the assistant general manager isn't the assistant to the general manager. He is to all intents and purposes something different to that. He is actually a joint general manager?—A. Yes.

Q. In the practical workings of the corporation?—A. That is right.

Q. But it does seem to me with the change in the organization structure of the C.B.C. of fairly recent times the assistant general manager not only controls the finances, secretariat, commercial and the engineering but in addition to that he is the comptroller of finance as well so that from the chart that we had before us it would appear that the duties of the assistant general manager are somewhat more widespread and more comprehensive than that of the general manager himself; is that so?—A. I would hardly agree with that, certainly not in practice. It is a particularizing of function, the demarcation line being as between the creative and policy side, and the machinery side beginning with engineering and going up to finance. The actual function of comptroller of finance as so interpreted in this case does not involve financial control of programs once the budget is determined.

Q. But anything over and above the annual budget which has been set aside is a matter that you cannot deal with without the comptroller of finance's consent?—A. Well, without the consent of the Finance Committee actually. The comptroller of finance himself has no discretion in that area. Any change of the budget has got to be approved explicitly by the Finance Committee.

Q. By the Finance Committee?—A. Yes.

Q. What legal position has the Finance Committee so far as the corporation set-up is concerned?—A. The Finance Committee?

Q. Yes.—A. I think it is already given in evidence that its status is unofficial although it actually functions and has functioned for 5½ years.

Q. When you say, "Unofficial" just what do you mean by that?—A. It has no statutory existence.

Q. I do not want to ask unnecessary and embarrassing questions about this but Major Murray will readily recognize it does go to the root of many things that I am about to ask him. It has no statutory position?—A. That is right.

Q. But it actually is in control of some part of the corporation set-up, and actually what are its functions as exercised by it?—A. Well, I think I can take some credit for insisting on its appointment immediately after I came into this job, because I certainly was not going to take the financial responsibility. This, in theory was a group of those members of the Board of Governors whose training and aptitude were more in the business world than perhaps some others, and they would meet from time to time and actually be a point of reference for all business of the corporation, study the budget, make recommendations about the budget, convince themselves the budget was being properly operated, and generally perform the functions of a finance committee of an ordinary Board of Directors.

Q. In the working of that Finance Committee has it worked out satisfactorily in every regard?—A. Well—

Q. Having in mind your relationships with the Board of Governors?—

A. Well, I have had nothing but gratitude for its help because it is not easy in a complex business like this which changes so rapidly,—almost from day to day—it is not easy to keep the full board sufficiently informed. If you have got a subcommittee like this then you can refer to its members on the telephone, as is the practice, as well as meeting as often as they can find an opportunity. It is an enormous help not only to the operation of the business but also to the maintenance of confidence.

Q. Who all are on the Finance Committee now?—A. Mr. Morin, the chairman; Mr. Nathanson, vice chairman; and Mr. Godfrey, of Halifax is the third member.

Q. How often do they meet?—A. You have had all that set out in the evidence.

Q. I just wanted it generally. I wanted to find out whether they meet on certain days or not.—A. No, they do not.

Q. Do not go to any trouble to find it. It is in the evidence.—A. They meet whenever there is occasion. They may meet on a few days' notice. There is no set date put down.

Q. I think the Chairman said they usually try to meet once a month.—A. Yes, that is right.

Q. So that so far as you are concerned the Finance Committee has been functioning satisfactorily with respect to the affairs of the corporation.—A. I think so. In fact I think something like that is indispensable to the successful working of this kind of business.

Q. Then, in view of that satisfactory working of this unconstitutional, if you like to call it, or perhaps non-statutory committee, called the Finance Committee why was it that on April 29th, 1941, a completely new change was made with respect to the question that we have just been discussing.—A. I think that is a question for the chairman. Frankly I don't know the answer.

Q. It was not done on your recommendation.—A. No.

Q. Was it done in spite of your recommendation?—A. No, I was not in the picture at all.

Q. In other words, you were an interested on-looker on the change. Now, on April 29, 1941, an order in council was passed known as P.C. 2485. Evidently the situation in the corporation had reached a position where the Board of Governors and the government felt that some change should be made with respect to the general structure of the corporation itself. When that order in council was passed it contained certain amendments to the bylaws of the C.B.C. In the little brochure called "addendum No. 1" relating to amendments to sections 6, 7 and 8 of the bylaws of the corporation I notice that on page 5 the following powers were given. No. 6 (2) was cancelled and No. 7 was cancelled in the original bylaws and the following is substituted, and it goes on to say:—

EXECUTIVE COMMITTEE

7. (1) There shall be an Executive Committee consisting of the Chairman, the Vice Chairman and two other members of the Board of Governors to be named each year at the first meeting following the close of the fiscal year.

(2) The Chairman of the board shall be the Chairman of the Executive Committee. Three members shall constitute a quorum.

Then we come to a very important and very far-reaching power and authority given to the Executive Committee. It is contained in sub-section No. 3, Section 7, and it says:—

(3) Subject to the control of the Board of Governors, the Executive Committee shall have power:—

- (a) to manage the affairs of the corporation, to control its finances and to supervise its operations, in accordance with the general policies laid down by the Board of Governors;
 - (b) to define the functions, duties and responsibilities of the officers and employees of the corporation and to direct them in the performance of their duties.
- (4) All decisions of the Executive Committee shall be reported to the Board of Governors at the next following meeting of the Board.

Now then, do you know of any reason why that change would have been made, Major Murray, or what would make it necessary?—A. Frankly, I don't and the intrusion of the word "manage" there is not—I do not understand how that got in there, but I was not concerned in this draft.

Q. Of course, this is not a draft. This is the law of Canada now, and after all some consideration will have to be given to a law which has the force of a statute, and this has been standing since April 29, 1941, and it certainly gives power, as I see it, to manage the affairs of the corporation. Now, when did that first come to your attention?—A. Presumably about the time it was enacted.

Q. Have any representations been made to the government with respect to altering that illusory word "manage" in the amendment since?—A. Not in my recollection, but the actual body has not come into being.

Q. Quite; in other words, since the Executive Committee was appointed a year ago last April there has never been any actual executive committee appointed.—A. No.

Q. In your opinion what is the reason for that, Major Murray?—A. Honestly, I have not any idea.

Q. I see.—A. The concern of the staff has been to get on with the job, and we seem to have more tasks to undertake every day that goes by and there is very little opportunity for deliberating on those points.

Q. You have not seen any grave need of the appointment being made, in other words?—A. I certainly have not pressed for it.

Q. With respect to that, Major Murray, has the Finance Committee of the Board of Governors assumed any powers with respect to the management of the affairs of the corporation as envisaged by this amendment?—A. I do not think so, not in the terms of management; in the terms of control, yes, but in a perfectly legitimate way.

Q. Has the C.B.C. management been notified at all that the executive committee is about to be set up?—A. I have heard nothing of it.

Q. You have never heard of any move in that direction at the moment?—A. No.

Q. Now, at the present moment according to the chart of responsibilities the Board of Governors appears at the top of the chart, and I suppose this chart was issued by the C.B.C. itself?—A. Yes.

Q. And having been issued by the C.B.C. you have chosen to place next in authority the executive committee?—A. Rendered necessary by the law, presumably, because it is the law of the land, isn't it?

Q. Major Murray, I fancy we are both in the same position of wondering why there is the law of the land but since the law has been passed nothing has happened. In actual practice then the executive committee's functions have continued to be taken by the Finance Committee of the Board of Governors?—A. That is right.

Q. So that actually so far as the practical operations of the C.B.C. are concerned there has been no real change in spite of the order in council of April, 1941?—A. Not in my observation.

Q. Well, you would be fairly close to observe anything that would turn up from time to time?—A. Yes.

By the Chairman:

Q. The set-up is there to be used.—A. Yes.

By Mr. Graydon:

Q. Now, when the order in council was passed were you consulted with respect to the matter of the necessity of an Executive Committee at all?—A. No, I have no recollection on that point. I certainly was consulted about the redistribution of functions as between my colleague and myself.

Q. Having in mind the redistribution of functions between Dr. Frigon and yourself was the redistribution which took place—I am not sure of the date, you will have that date, the date when the functions were redistributed—A. Well, actually according to promulgation about April 1st, of last year, but this kind of working system had been evolving in practice over some time, and April 1st of last year would be probably the date of promulgation.

Q. Was the redistribution of functions as between you and the assistant general manager done at your request?—A. I cannot remember who took the initiative but certainly with my consent.

Q. In other words, you felt it was in the best interests of the corporation that the functions should be redistributed in the manner in which they were?—A. As a result of five years of experience.

Q. Well now, Major Murray, in a previous report of the parliamentary committee of 1936—and I am sorry I have not a copy of that with me, I intended to bring it—in the parliamentary committee report of 1936 there was a recommendation made there on page 784 of that committee's report dated Tuesday, May 26, 1936. It says as follows:—

After carefully reviewing the administration of radio broadcasting we have reached the conclusion that recommendation No. 1 of the 1934 committee, namely, that in the opinion of your committee radio broadcasting can best be conducted by a general manager, is justified in all respects, and your committee hereby endorses and repeats this recommendation.

Now then, to your knowledge did any subsequent parliamentary committee change that recommendation that the affairs of the corporation should be in the hands of the general manager?—A. No, not to my knowledge.

Q. Major Murray, isn't there something to be said for the fact that when you have a corporation like this there should be a single boss somewhere in it?—A. From the point of view of the theory of organization, may I ask?

Q. I should think that in answering that question you would have to take into consideration both the theory and the practice.—A. I might observe there it has been discovered in the recent practice of the British Broadcasting Corporation that the appointment of two directors general was a more efficient organization, at least in war time, than the previous single organization. That is now an established fact in their practice. I do not set myself up as an authority on these matters but it strikes me that in this kind of business your creative side—this is the B.B.C. theory that has been worked out—your creative side and your machine side may, without loss of efficiency, be on a basis of equality, provided your creative side is safeguarded by budget considerations. In other words it is of much more importance that I should be able to concentrate as representing the creative side in helping the program people, in devising new programs, in dealing with public relations, and not having to concern myself so much about the engineering or business side, and likewise that there should be a colleague who concentrates all his effort upon the material side and the business side.

Q. Of course, Dr. Frigon does not do that. He does not concentrate his entire attention upon that because in the examination which was conducted of

Dr. Frigon before the committee he intimated that he had charge of the French network which normally, as I see it in the chart which was presented to us, would come directly under programs, under the scope and field of the general manager?—
 A. That might be regarded as an anomaly but it has been left that way for the time being as a measure of convenience but it is not inherent in the organization. I am still directly responsible for everything having to do with religion in the province of Quebec, as I pointed out in my evidence earlier, and for the broadcasting of French programs outside of the province of Quebec.

Q. Hold on, you are responsible, too; at least, Dr. Frigon said he was responsible for the French network but there was an over-riding authority as I understood it, still in your hands. I don't know whether that is so or not.—

A. Well, if necessary I presume yes. I have in this little interpretative pamphlet tried to explain this. The expression is:—

The direct management of the Corporation is in the hands of the General Manager (who is the Chief Executive of the Corporation under the Act) and the Assistant General Manager.

Q. Read that again.—A. The direct management of the Corporation is in the hands of the General Manager (who is the Chief Executive of the Corporation under the Act)—

Q. Of course, that is obviously untrue. It seems to me, Major Murray, that you must have plenty of difficulties trying to put out a booklet like that and keep within the Act and still try to bring to the attention of the committee actually what is being done because they are two different things. The actual general management of this corporation isn't in your hands at all. It is partially in your hands but if I may say so it isn't even a majority percentage in your hands at the present moment and I cannot conceive why a booklet of that kind would be put out saying that the management of the C.B.C. is in your hands. Actually what we have is this: we have a booklet saying the management of the C.B.C. is in the hands of the general manager. That is obviously untrue. Then we have Major Murray and Dr. Frigon coming here and telling us—and I take their word on this because they are pretty close to it—that actually above them in the management of the corporation so far as many features are concerned is a Finance Committee what has no statutory position, but the law says an entirely different thing, and that is that the management of the affairs of the corporation shall be in the hands of an Executive Committee and that Executive Committee has not been chosen. Now, I only have one object in my mind with respect to this. I realize that those who are outside the corporation can only inquire from a general point of view. It does seem to me that if you have not run into trouble with respect to the multiplicity of variations between the law and the practice in your corporation, if you have not run into trouble up to now it is mainly because of the ability and capacity of you and Dr. Frigon to get along together, but surely we cannot always take that as a complete criterion in the set-up which we are trying to scrutinize at the moment. I am only trying to find out from you what is actually the best type of management that a corporation such as this shall have. In that booklet you have with respect to the general manager—when was that published?—
 A. The end of December, but hadn't I better read the whole paragraph?

Q. That will be fine because I think we should have that.—A. This has been circulated already to the committee. This is called "The Management". It states:—

The direct management of the corporation is in the hands of the general manager (who is the chief executive of the corporation under the Act) and the assistant general manager. The former has specific responsibility for programs and public relations; and for carrying out the terms of the Act of Parliament. The latter has specific responsibility for

engineering and commercial operations as well as for internal management. The bylaws of the corporation also provide for the appointment of a controller of finance; this function is at present carried by the assistant general manager. There is also a Finance Committee of the Board of Governors,

and so on. It sets out the regions and all that. Do you want me to read that, too?

Q. No, I think that is all. I just wanted to point this out, that in section 6 of the Canadian Broadcasting Act which was referred to in this brochure which you have just read, they are establishing a general manager who shall be the chief executive of the corporation and who shall be appointed, and so on. Chief executive must mean that the over-riding powers surely of the corporation are in the hands of the chief executive or else we have another departure from the strict terms of the law. "Chief executive" in your mind means what, Major Murray?—A. Well, it is the person in control.

Q. The person in control. If I may say so, you are partly in control but I must say in all fairness, from your evidence, I do not think you are entirely in control.

By Mr. Tripp:

Q. Before the committee adjourns, I have one or two questions I should like to ask Major Murray. In your opinion, is the present set-up working efficiently?—A. Well, I hope that the evidence of the work that has been done so far bears that out. I think it is working and I think that the facts justify that view. But I would like certainly to agree in Mr. Graydon's suggestion that I have a lot to be thankful for in the goodwill and friendly co-operation of my colleague and the staff.

Q. Would you like to make any suggestions to the committee whereby a change or difference in the set-up might make the broadcasting company work more efficiently?—A. I should like to consider that, if I might.

The CHAIRMAN: Order, please. We will call the next meeting for Friday at 10.30. Is that satisfactory?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: Then it is 10.30. Is it your wish to continue with Major Murray?

Mr. GRAYDON: Major Murray will perhaps be glad to know that I will not be here on Friday.

Mr. TRIPPS I should like to get an answer from Major Murray with regard to that last question. I think it would be well for the committee to have that information.

The CHAIRMAN: Just a minute. Does the committee want Major Murray here on Friday, or do they want some other witness? We will try to have Mr. Howe and Mr. Thorson here and get the other matter cleared up.

Mr. GRAYDON: I do not think the Major is completely through with what he wants to tell us yet.

The CHAIRMAN: Are you through with what you want to ask him?

Mr. GRAYDON: I will not be here on Friday.

The CHAIRMAN: What about the other members of the committee?

Mr. GRAYDON: Mr. Coldwell is not here. He usually has some questions.

The CHAIRMAN: Are you through with what you want to ask Major Murray?

Mr. CLAXTON: I think there is some more.

The CHAIRMAN: Then you had better be here, Major Murray.

The committee adjourned at 1.05 p.m. to meet again on Friday, June 12, at 10.30 a.m.

APPENDIX A

OTTAWA, May 27, 1937.

MEMORANDUM:

*Mr. OLIVE**Some Comments on the Location and Technical Arrangements of the Proposed Shortwave Transmitting Station.*

In the initial technical consideration of a powerful shortwave transmitting station for international service it is necessary to know where the service is intended to be rendered. In this case it appears that England in particular and Europe in general are to be served as well as other nations in South America and Asia. Of course, technically it is desirable to have coverage over our own North country when we desire it.

To locate the station it seems desirable to have it operated in conjunction with one of our medium band stations in order to save expenses. It has been suggested that it might be located at Vercheres where the new 50 Kw. medium band transmitter is being constructed. However, there are two serious objections to this. In the first place this location is such that the beam which would be directed on England would pass directly down the St. Lawrence River with the result that the Marconi Receiving Station at Yamachiche (some 40 miles away) would be more or less directly in the beam. This might be very serious with 50 Kw. on a beam, especially on their reception from New York City and from Australia on their beam coming over Africa. In the second place, experience appears to indicate that transmission in the Heaviside Layer in the great circle paths which go over the coast of Labrador to be inferior to that which starts over the eastern coast of Newfoundland. This suggests that we should locate our transmitter in the Maritimes, say at the new medium band station which we have planned for Aulac, N.B. In this location the great circle path to England would coincide with the New York to London path which does not pass over Labrador.

At this location in the Maritimes we could have three diamond arrays (these are relatively cheap structures); one directed on England and Europe, another directed south to cover the West Indies and South America, another directed northwestward to cover the Northwest Territories, Japan and China. By using these arrays at the correct times in each day we could supply a service which would correspond to the evening hours in the various parts of the world indicated above.

Accordingly it seems to me that the Maritimes location should be seriously considered. The fact that it is far from Ottawa is not of any moment when we have a network for 12 or 16 hours a day as is proposed. I do not see that it has any disadvantages whatever.

(Sgd.) K. A. MACKINNON,
Engineering Department.

JULY 26, 1937.

L. W. Brockington, Esq.,
737 Grain Exchange Bldg,
Winnipeg, Man.

Dear Mr. Brockington:

In our anxiety to send you information concerning shortwave broadcasting, I am afraid I did not sufficiently emphasize the importance of having a powerful shortwave station for the purpose of taking part in exchange programs. That

is to say, while at the present time we are equipped to receive programs from other countries, we have no means of sending them direct. In sending a program to Great Britain or Europe, it must be fed by wire to the Marconi station at Drummondville in Quebec, thence over the regular transatlantic telephone system.

I thought it well to re-write the memorandum I sent you to contain a special paragraph on this point. If you would have your secretary replace the memorandum already sent you with the one enclosed, you will have more complete information.

Under the item Operating Cost, the word "retired" should replace "required", i.e., the technical equipment to be retired over a period of 10 years.

Yours sincerely,

DONALD MANSON,
Chief Executive Assistant.

SHORTWAVE BROADCASTING

CANADA

Existing conditions

Canada has seven shortwave broadcasting stations of small power, as shown on List No. 1 attached hereto. These stations broadcast the programs of the regular broadcasting stations with which they are associated. CRCX at Bowmanville is the only shortwave station owned by the Corporation. It broadcasts the programs of CRCT, Toronto, in the evenings.

Some of these Canadian stations are occasionally heard abroad, but their power is insufficient to be of any practical value.

Proposed new station

In order that Canada may make itself adequately known in other countries, it will be necessary for at least one station of high power to be established. By high power is meant a station of not less than 50 kilowatts, designed to work on various frequencies. With this power, a Canadian station would be consistently heard in Europe and other parts of the world. It could be so constructed as to provide for the following:—

1. To broadcast programs of the Corporation on a regular schedule for general reception in other countries.

2. To be available for exchange programs with other countries in Great Britain, France, Germany, etc. Unless and until Canada has such a station, the activities in exchange programs must necessarily be restricted and one-sided. For example, at the present time, Canada has a special shortwave receiving station at Ottawa at which programs are satisfactorily received from the British Station at Daventry. Programs from other countries such as Germany can be equally well received if desired.

In sending programs, however, to other countries overseas at the present time, Canada must have recourse to the point-to-point transatlantic radio-telephone system (beam) on which time must be rented from the Marconi Company at about ten dollars (\$10.00) per minute. Any extension beyond England would mean added line charges to whatever countries the programs were being sent.

Canada will be in a satisfactory position only when it has a transmitting station which can be used for sending programs to the point of destination direct. When the Prime Minister broadcast Canada's Proclamation to the world last December following the abdication, it was necessary to carry his

voice by the transatlantic beam to the British station in England whereas if a station had been available in Canada, the same could have been picked up direct in England and re-broadcast over the British station as well as being received direct from Canada in other parts of the world.

3. To broadcast French programs from Quebec directed towards the Prairie Provinces so that the French speaking listeners in that area could be served with programs in their own language. This could be done in the evening after say 7 p.m. when transmissions towards Europe would be unnecessary owing to difference in time.

4. To be used for point-to-point services (on point-to-point frequencies) for governmental purposes, such as External Affairs in communication with Geneva. At the present time during sittings of the League of Nations, Geneva transmits messages daily for long periods to the Heads of the various governments, and while Canada has in the past intercepted these broadcasts successfully, it would be a great advantage if Canada could reply—asking for repetition of certain parts of transmissions which are sometimes missed, etc. At the same time, Canada could directly and quickly communicate over the station with its own representatives at this meeting either by radiotelegraph or radiotelephone instead of having to resort to telegraph and cable as is now necessary.

The cost of establishing and operating such a station would be as follows:—

1. CAPITAL COST for complete installation, including equipment, masts, aerial, land, etc.—approximately \$330,000.00.

2. OPERATING COST—approximately \$120,000.00 per annum, including interest and depreciation, the technical equipment to be retired over a period of ten years.

It is important that Canada should get on the air with a powerful station at an early date otherwise there will be no frequencies available as these are being rapidly pre-empted by the different countries who realize the advantages of shortwave broadcasting.

OTTAWA, July 26, 1937.

737 Grain Exchange Bldg.,
Winnipeg, Manitoba,
October 26, 1937.

Dear Mr. Prime Minister,

Re Proposed National Shortwave Station

With further reference to my previous letter in this regard, and to our conversation, when I had the privilege of visiting you at "Kingsmere," some weeks ago, I have the honour to submit to you a memorandum concerning the advisability of the erection, within Canada, of a national high-power shortwave station. The Governors of the Broadcasting Corporation believe that the erection of a national shortwave station is an essential part of a national scheme. As you know, our network time has been enlarged, with general approval of the public and the press. Our new stations at Toronto and Montreal will soon be on the air, and, with the consent of the Minister, to whom we are grateful for courteous and continuous encouragement, we are preparing plans for a Maritime Station and are fully aware of the need for a further high power outlet in Western Canada. We realize, of course, that progress must be cautious, but nevertheless definite and certain.

I am writing to you at the present time about the possibility of the erection of a shortwave station, because, in our opinion, that is a matter in which the State has a particular interest.

The advantages in favour of the erection of a national high power short-wave station are naturally divisible into internal and external, material and inspirational. For convenience, I will divide the arguments as I see them.

(a) EXTERNAL: 1.—*National Prestige.* Great Britain has three 50 Kilowatt shortwave transmitters, two 20 kilowatts and one 10 kilowatts, using 14 different wave lengths. The United States has a total of 357 kilowatts, Germany 100 kilowatts, Italy 35 kilowatts, Czechoslovakia 35 kilowatts, Brazil 65 kilowatts, Australia 26 kilowatts, Russia 60 kilowatts, Holland 43 kilowatts, Japan 20 kilowatts and Spain 30 kilowatts. In Canada we have a total of 7 small shortwave stations, practically all of which are privately controlled, with a total power of 7 kilowatts. Few of them can be heard over any wide area even on this continent. Our shortwave facilities are less than those of Cuba, Bolivia or Colombia. While the statistics of power may not be in themselves a very cogent argument, I think it can fairly be said that the use of national short-wave stations is increasing and is bound to increase. At the forthcoming international conference to be held at Cairo, allocation and control will, no doubt, be amongst the important topics to be discussed, and some definite policy on our part will be a reflection of our national importance.

2.—*International Goodwill.* It is a trite observation that in Canada alone are used freely and widely the two great world languages, English and French. We possess, I believe, a unique opportunity to speak to a troubled world at psychological moments. Your own personal contribution in the recent Peace broadcast is an indication of the power of shortwave communication. I am advised that during sessions of the League at Geneva our shortwave pick-up stations at Ottawa receive the daily information service from Geneva which allows a copy of the reports to be placed daily upon your desk. A shortwave station would allow of a similar service from Canada to Geneva.

3.—*Direct Communication with European Countries.* Select citizens of European origin could be permitted to address their homelands and place before their former fellow countrymen the desire for peace and understanding, which, under your leadership, is of the very spirit of Canada. It might be pointed out in this connection that a number of European countries, including England, Germany and the Irish Free State, direct daily broadcast programs specifically intended for Canada.

4.—*Cultural Uses.* We are, I hope, rapidly developing a culture of our own, and in any event, some of our musical organizations have reached the best international standards. A national shortwave station would allow the broadcast from Canada of events of national significance and celebration. A recent example can be cited, for illustration purposes. The Accession Proclamation was broadcast by myself and Mr. Lapointe to Canada and the world, in both English and French. It had to be carried to England on a point-to-point beam at a cost of \$10.00 a minute. Our own national celebrations could, of course, be transmitted from our own station.

5.—*National Advertising.* A shortwave station would offer very many facilities, both for direct, and perhaps what is more important, indirect national advertising. I am advised that some \$350,000 per annum is being spent in England alone to advertise Canadian goods. Even if direct advertising were not considered desirable, a great deal of indirect advertising could be done in the British Isles, in France and in various countries of Europe by means of such a station. While the subject of immigration may not be, at the moment, a

particularly lively one, we all hope that at some day, not in the dim future, Canada may once again be in a position to offer a home and domestic and political security to a number of distressed and harassed people.

6.—*Protection of National Radio Rights.* Our delegates to national conferences have usually found that their presentation of Canadian claims is weakened by our national failure to have availed ourselves of assigned frequencies. Some early use and occupation of shortwave frequencies of high power are essential if we are to consolidate our right to their exclusive ownership.

(b) INTERNAL: 1.—*Broadcasting in French.* The Board of Governors of the Broadcasting Corporation has been proud to think that it can contribute to a better understanding between the two mother races in Canada. One of the difficulties is the absence of broadcasting, in the French language, to communities of French speaking people who live outside Quebec. Practically all radios nowadays are equipped by shortwave reception. A national high power shortwave station would enable us to broadcast to the French in the Maritimes and particularly also in Western Canada during the evening hours, when our long wave network must of necessity be largely occupied with English programs. There has been favourable comment in the French-Canadian press on the suggestion and I have personally received a large number of letters from French speaking citizens who wish us well, expressing their hope that something like this can be done.

2.—*To Facilitate Exchanges.* We have all been very much indebted to Mr. Alan Plaunt for the excellent work he was able to do on a recent trip to Europe. He interviewed the authorities of the B.B.C. and was also able to become familiar with the attitude of the French broadcasting system. His conclusion is that a shortwave station of 50 kilowatt power is of immediate and pressing importance to facilitate exchanges between our own system and the European systems. The Governors of the Canadian Broadcasting Corporation believe that ultimately we can supply the best programs in the world, if we are free to obtain them wherever possible and to relay them over our network. This policy cannot be made really effective until we are in a position to reciprocate. Programs from England or France must be especially selected as to time and character, if they are to be acceptable to our audience, and the same, of course, applies to Canadian programs designed for transmission to England and France.

The B.B.C. has, through Mr. Plaunt, sent me most cordial expressions of a desire to co-operate with us, and has fortified these expressions by a revision of its schedules at considerable expense to them. They are most anxious to receive programs from Canada. We have received assurances also that France desires programs from Canada. Exchanges take place between the B.B.C. and the two American chains and we look forward to similar reciprocity between them and us.

I have had occasion to discuss, informally, this proposed short wave development with a large number of influential men in Canada, including newspaper editors and members of Parliament. The advantages, internal and external, material and inspirational, national and international, seem to commend the project to all who have given it thought.

(c) COST: The actual cost of a 50 kilowatt shortwave station would be \$350,000 for construction. The cost of annual operation would be from \$90,000 to \$100,000, or \$130,000 if interest and depreciation were included. The financial advantages to the Dominion, in advertising, etc., would be very considerable. The other advantages which I have outlined will, I am sure, command the project to your earnest attention. I, therefore, have

the honour, my dear Prime Minister, respectfully to submit this memorandum for your earnest consideration.

I have the honour to remain,

Your obedient servant,

L. W. BROCKINGTON.

The Rt. Honourable W. L. Mackenzie King,
Prime Minister of Canada,
Ottawa, Ontario.

C.B.C. INTERNAL MEMO

It appears to me that a high power shortwave station is of an essential part of the C.B.C. system. It is especially important that the job of erecting such a transmitter should be undertaken at once. My trip to Great Britain and parts of Europe has convinced me that European countries, although at the present time quite ignorant of Canadian affairs, are extremely anxious to take programs regularly from the C.B.C.

However, the real need for the erection of such a station at once is that we may be in a position to broadcast to the world the ceremonies attendant with the visit of their Majesties to Canada next May. The B.B.C. is exceedingly anxious that we should be in a position to transmit a daily service to them containing the fullest information as to what is taking place in Canada during the Royal Visit.

At a meeting arranged by Pearson of Canada House with Capt. Lascelles, of the Royal Secretariat, I was told in confidence that His Majesty is expected to speak on at least four occasions. Her Majesty may also be asked to address various groups.

As the matter stands now, the C.B.C. is without shortwave transmission facilities of sufficient power for the broadcasting of these functions. In order that they might be heard in other countries, it would be necessary that they be fed to the N.B.C. or C.B.S. and relayed to the other Dominions by the short-wave transmitters of either of these United States networks. I feel that this is not at all desirable. Furthermore, the B.B.C. would be entirely dependent upon the acquiescence of the Americans to do so or the broadcasts taking place in Canada would not be heard in England. It might well be that prior commitments would preclude the U.S. networks from rendering this service.

It is true that beam telephone service is available but my experience is that the quality of any transmission on the beam circuit is extremely poor.

I might add that Mr. Ogilvie, the new Director General of the B.B.C., is taking this matter up by letter with His Excellency, Lord Tweedsmuir, and also with the Hon. Vincent Massey. Officials of Canada House in London have told me that in their opinion a high power short wave transmitter operating in Canada at the time of the Royal Visit is of extreme importance. This thought was also expressed by Capt. Lascelles, who stated that one of the primary purposes of the visit was to acquaint the people of Great Britain with the feelings of the Canadian people toward Their Majesties and that this could not be done half so well by any other medium.

I might also mention that I had several talks to Monsieur Jean Desy of Paris and Monsieur Y — La Montagne of Brussels and both are most anxious that Canadian thought should be reflected in Europe at the present time. They stressed the need of doing this by means of short wave broadcasting.

I do not believe any greater compliment could be paid to Their Majesties than that their voices should be the first to be heard over this new station which would undoubtedly have world wide coverage. I believe we cannot afford to miss such a glorious opportunity.

E. L. BUSHNELL,
General Supervisor of Programs.

ELB/RK

February 1939.

BROADCASTING

16 METRE BAND

General Comments

Madrid	Cairo
17,750-17,800 Kc/s	17,750-17,850 Kc/s

Cairo band extended by
50 Kc/s from 800-850

17,810 Kc/s (a) This frequency was reserved for C.B.C. proposed short-wave broadcasting station at request C.B.C. by letter 29th Sept., 1938. It would appear that while the C.B.C. considered U.S.A. reservations in new band, they did not then have in mind the use of 17,810 Kc/s by B.B.C.

(b) The first reservation of this frequency by the B.B.C. for GSV. Daventry was on the 6th July, 1938, and same published in Supp. No. 8 (dated 1st October, 1938) to 8th Edition List of Frequencies received after Canadian reservation for C.B.C. forwarded Berne.

Zeesen Germany 50 KW is listed for 4 frequencies 17,760, 17,815, 17,825, and 17,845 Kc/s.

Rome, Italy, 25-50 KW is listed for 5 frequencies, 17,770, 17,800, 17,820, 17,830 and 17,850 Kc/s.

Tokio, Japan, 50 KW is listed for 5 frequencies, 17,785, 17,795, 17,825, and 17,845 Kc/s, 17,835.

U.S.S.R. stations 20-100 KW are listed for 7 frequencies, 17,770, 17,780, 17,790, 17,800, 17,810, 17,820 and 17,830 Kc/s.

Several high power stations providing a fixed service still listed as using frequencies in new broadcasting band 17,800-17,850 Kc/s.

Reservations in Berne Frequency List of frequencies in the band 17,750-17,850 Kc/s. for existing or proposed broadcasting stations of 5 KW or higher power.

Kc/s	Station	Country	Power KW
17,750.....	OZI	Skamlebak	Dnk. 5
17,755.....	LKW	Oslo	Nor. 25
17,760.....	DJE	Zeesen	D. 50
17,760.....	W2XE	Wayne, N.J.	U.S.A. 10
17,765.....	TPC3	Paris	F. 100
17,770.....	12RO7	Rome	I. 25
17,770.....	—	Geneve	Suis. ?
17,770.....	RW97	Novosibirsk	U.R.S.S. 20
17,775.....	PHI	Huizen	Holl. 20
17,780.....	—	Paris	F. 100
17,780.....	W3XL	Bound Brook	U.S.A. 35
17,780.....	RKC	Moskva	U.R.S.S. 20
17,780.....	W8XK	Saxonburg	U.S.A. 40
17,785.....	XGSB	Shanghai	Chin. 20
17,785.....	JZL	Tokio	J. 50
17,790.....	GSG	Daventry	G. 10-50
17,790.....	RW99	Irkoutsk	U.R.S.S. 20
17,794.....	XGBB	Shanghai	Chin. 18.5
17,795.....	JLU4	Tokio	J. 50
17,800.....	XGOX	Nanking	Chin. 20
17,800.....	—	Rome	I. 50
17,800.....	RW96	Moskva	U.R.S.S. 100
17,810.....	GSV	Daventry	G. 10-50
17,810.....	RW97	Novosibirsk	U.R.S.S. 20
17,810.....	—	—	F. ?
17,810.....	—	—	Can. 50
17,815.....	DJG	Zeesen	D. 50
17,815.....	—	Taihoku	J. 10
17,820.....	RW99	Irkoutsk	U.R.S.S. 20
17,820.....	12RO8	Rome	I. 1?
17,825.....	DXC	Zeesen	D. 50
17,825.....	JVW5	Tokio	J. 50
17,830.....	RW98	Moskva	U.R.S.S. 20
17,830.....	LRA5	—	Arge. 10
17,830.....	—	Rome	I. 50
17,830.....	OLR6A	Praha	Tche. 30
17,835.....	—	Skamlebak	Dnk. 5
17,835.....	JLP3	Tokio	J. 50
17,840.....	HVJ	Vaticano	C. Vat. 25
17,845.....	DJH	Zeesen	D. 50
17,845.....	JLS2	Tokio	J. 50
17,850.....	—	Rome	I. 50
17,850.....	—	—	F. —

CONFLICT ON FREQUENCIES FOR C.B.C. SHORTWAVE TRANSMITTER

It is to be expected that there will be many conflicts with other countries regarding the reservations we made last year in the Cairo extensions of the shortwave broadcasting bands. Furthermore, if we do not soon build a short-wave transmitter we shall lose any priority we may now have on other channels.

As the B.B.C. definitely have priority on 17810 kc. the band in question, I see nothing we can do. The suggestion of sharing the channel with Daventry has little merit, although the allocation difficulties may be so great in the future that such will be necessary.

I recommend that the suggestion of Transport to apply for 17821 kc. be followed up.

K. A. MacKINNON.

Montreal,
April 12, 1939.

FREQUENCY FOR HIGH-POWER SHORTWAVE STATION

As it was expected, there has been quite a number of frequency notifications following the Cairo Conference. The Minister of Transport has notified certain frequencies in view of the building of a high-power shortwave station by the

C.B.C. One of these, 17810 kc., is now being used by the B.B.C. for Daventry GSV. Mr. L. W. Hayes of the B.B.C. has suggested that we might share time with them on that frequency whenever we are ready. However, this presents some difficulties and it would be better to take further steps to protect ourselves. It has been suggested that 17820 kc. may have possibilities and I would recommend that the C.B.C. requests the Department of Transport to take whatever steps are required to notify that frequency for use by us in due time. This brings up the whole matter of the use of a high-power short-wave station. It is evident that unless we get in the field pretty soon, there will not be room for us in the air. On the other hand; if we were to have a shortwave station now, I doubt that we could supply satisfactory programs for European audiences. Therefore boils down to the simple problem to secure enough money to build such a station, to operate and program it.

AUGUSTINE FRIGON,

Assistant General Manager.

Montreal, April 20, 1939.

AUGUST 28, 1939.

Dear Mr. HOWE.—The representative of R.C.A. Victor came to see me this morning. He says that they have on their hands at Camden, N.J., a complete 50 kilowatt shortwave transmitter. I understand that this had been ordered by some European government and that the order has been cancelled. I am told that the plant could be set up in Canada in a few weeks' time.

I do not know whether the national high power shortwave station is still a live issue from the angle of government policy. If, however, the emergency develops, this might be considered important.

I know that the B.B.C. are very apprehensive about their Daventry installation which is particularly vulnerable from the air. If that were destroyed and we had in Canada a 50 kilowatt shortwave transmitter, something could be done to replace the British service in time of war. Incidentally, it occurs to me that an emergency might be the right moment for acquiring such equipment.

The matter is obviously one of government policy, but I felt it my duty to send on the information which was given this morning by R.C.A. Victor.

Yours faithfully,

(Signed) GLADSTONE MURRAY,

Hon. C. D. HOWE,
Minister of Transport,
Ottawa.

ESTIMATE OF COST OF SHORTWAVE TRANSMITTER

Confidential

The difference between the figure we had in mind, \$350,000, and the estimate submitted to you yesterday, \$460,000, can be explained as follows:—

1. The first estimate was based on a firm quotation of \$180,000 given by the Canadian Marconi Company for the transmitter, in July 1937. A figure of \$250,000 was adopted for the last estimate. Indications are, this morning, that we might have to pay \$300,000 to have the same equipment as the B.B.C.—The offer made last week by R.C.A. for a transmitter, ready for shipment, has been

withdrawn as it is claimed the equipment does not operate satisfactorily and cannot be sold. The best bet would apparently be a Western Electric transmitter built in Canada which could be delivered only in twelve months. The Canadian Marconi Co. has not been consulted this time because they are always rather slow to give prices and you wanted an estimate in a couple of hours' notice.—To sum up, the equipment alone will cost to-day at least \$70,000 and possibly \$100,000 more than we had reasons to believe in 1937.

2. An estimate of \$11,500 has been included for flood lighting and fences.
3. Approximately \$15,000 was added to the original estimate to cover the cost of dwellings for the staff.
4. More elaborate antennas have been considered at an increased cost of \$15,000.
5. Experience has shown us that testing equipment is necessary which accounts for a new item of \$4,000.
6. Following recently established practice, \$5,000 was added to cover the cost of a set of spare parts.

The difference between the cost which has been mentioned up to now and the estimate handed to the Minister yesterday morning can be blamed on the fact that in the hurry to mention a cost last Spring, a two-year-old estimate was not revised and carefully analysed.

AUGUSTIN FRIGON,
Assistant General Manager.

MONTREAL, September 6th, 1939.

MEMO TO THE CONTROLLER OF RADIO

Re: C.B.C. Short Wave Broadcasting Assignments.

The following frequencies were reserved at Berne for Canadian shortwave broadcasting stations, but have not yet been assigned in Canada.

Frequency K/c.	Call	Location	Power
6060.....	FQW	Mitasinjo Madagascar	50 watts
6090.....	ZBW2	Hong Kong	2.6 kw.
6160.....	12RO	Rome	25 "
9630.....	RJCT	Bogota Colombia.....	5 "
	12RO3	Rome	50 "
11,705.....	JLG3	Tokio	50 "
11,810.....	12RO4	Rome	25 "
15,190.....	PRF5	Rio de Janeiro.....	12 "
	12RO10	Rome	50 "
	ZBW4	Hong Kong.....	2.6 "
17,810.....	OZ12	Denmark	5 "
	GSV	Daventry	10-50 "
17,820.....	12RO8	Rome	1 "
21,710.....	clear		
25,620.....	clear		

Following are four frequencies, one in each of four bands, which could be assigned to a Canadian shortwave broadcasting station.

6060 Kc., 9630 Kc., 11705 Kc., and 15190 Kcs.

The channel 6060 should be practically free of interference; the 9630 Kc. and 11705 Kc. channels would suffer some interference but owing to time differences should not be greatly reduced in usefulness. The 15190 Kc. channel might suffer considerably from interference from Rio de Janeiro, but there does not seem to be any other channel available in this band. As regards 17810 and 17820, these are occupied and adjacent to G.S.V. Daventry. The channels 21710 and 25620 have propagation characteristics not particularly suitable for broadcasting.

Respectfully submitted,

J. W. BAIN,
Senior Radio Engineer.

OTTAWA, May 15, 1940.

EXTRACT FROM THE DEBATES OF THE SENATE—OFFICIAL REPORT
—UNREVISED EDITION—VOL. LXXVIII, MONDAY,
AUGUST 5, 1940, NO. 39

WAR CO-OPERATION—REPORT OF SPECIAL COMMITTEE

Hon. C. P. BEAUBIEN: Honourable senators, the Special Committee on War Co-operation beg leave to make their second report, as follows:—

Since the first report to the Senate, made on the 25th of June last, the Committee have held five meetings, at which were heard the following gentlemen:

Colonel Wilfrid Bovey, of McGill University, Head of the Department of Extra-Mural Relations of that institution;

Colonel Mess, President of the Association of Canadian Clubs of Canada;

Commissioner S. T. Wood, of the Royal Canadian Mounted Police;

Mr. Gladstone Murray, Director and General Manager of the Canadian Broadcasting Commission.

Valuable information and suggestions were obtained from these witnesses.

Your committee would respectfully urge upon the government the consideration of the erection, without delay, in this country of a powerful shortwave radio station of 50,000 kilowatts. It is considered that such a course is distinctly advisable to supplement the present British Broadcasting station, and to make more secure the facilities now used from that station, which are so vital to Empire cooperation and to the general transmission of truth throughout the world. It is believed that the expenditure which is estimated at \$350,000 to \$400,000 and the cost of maintenance, can be used to advantage in any event after the war for advertising and for trade purposes, especially throughout this continent and Europe.

In making this recommendation, your committee has in mind an opportunity to secure a most important section of the construction material which is now, fortunately, available, and which will enable construction to be completed in a fraction of the time which otherwise would be necessary.

SHORTWAVE TRANSMITTER

Members of the Board of Governors.

Sent to:—Mr. Godfrey, Dean A. Pouliot, Mr. A. B. Plaunt, Mrs. N. L. McClung, Dr. J. S. Thomson, Canon W. E. Fuller.

There is no sign of government action on the various recommendations for a 50,000 watt high-power shortwave station. An opportunity has occurred, however, for the C.B.C. to acquire a $7\frac{1}{2}$ kilowatt shortwave unit which could be made later basic to a high-powered unit. If this $7\frac{1}{2}$ kilowatt shortwave unit is to be acquired, immediate action must be taken. The subject was discussed here this morning by Mr. Morin and Mr. Nathanson. Mr. Godfrey was to have joined Mr. Morin and Mr. Nathanson in the Finance Committee meeting, but air travel from the Maritimes was interrupted, so Mr. Godfrey was consulted on the telephone by Mr. Morin and Mr. Nathanson.

I am now asked by Mr. Morin, Mr. Nathanson and Mr. Godfrey to seek your concurrence by telegraph in Dr. Frigon's recommendation that we proceed at once to acquire the $7\frac{1}{2}$ kilowatt shortwave unit available from R.C.A. The operation, both capital and maintenance, could be carried within our resources. The estimated capital cost is \$65,000. The estimated annual maintenance cost is \$19,000.

The site for this transmitter exists at Vercheres, P.Q. Its range will include most of North America and probably some part of South America. In Canada, it should help to solve the growingly acute problem of more programs for the French-speaking Canadians of Northern Quebec, the Prairie Provinces, British Columbia and the Maritimes. There will also be experiments in the region of wireless telegraphic communication, having in mind the possibility of transmitting our newscasts in certain areas by shortwave. This development also will materially increase our American audience.

General Manager.

Ottawa, September 9, 1940.

INTERNATIONAL SHORTWAVE BROADCAST TIME CHART FOR C.B.C.
SHORTWAVE TRANSMISSIONS

To Receive from 6 p.m. to 12 p.m. in	Must Transmit from Canada at	To Receive from 8 a.m. to 12 p.m. in	Must Transmit from Canada at
1. London	13 o'clock to 19 o'clock (1 p.m.-7 p.m. E.S.T.)	1. London	3 o'clock to 19 o'clock (3 a.m.-7 p.m. E.S.T.)
2. Paris Berlin Rome Cape Town....	12 o'clock to 18 o'clock (12 a.m.-6 p.m. E.S.T.)	2. Paris Berlin Rome Cape Town....	2 o'clock to 18 o'clock (2 a.m.-6 p.m. E.S.T.)
3. Moscow	11 o'clock to 17 o'clock (11 a.m.-5 p.m. E.S.T.)	3. Moscow	1 o'clock to 17 o'clock (1 a.m.-5 p.m. E.S.T.)
4. Calcutta	7 o'clock to 13 o'clock (7 a.m.-1 p.m. E.S.T.)	4. Calcutta	21 o'clock to 13 o'clock (9 p.m.-1 p.m. E.S.T.)
5. Melbourne	3 o'clock to 9 o'clock (3 a.m.-9 a.m. E.S.T.)	5. Melbourne	17 o'clock to 9 o'clock (5 p.m.-9 a.m. E.S.T.)
6. Aukland	2 o'clock to 8 o'clock (2 a.m.-8 a.m. E.S.T.)	6. Aukland	16 o'clock to 8 o'clock (4 p.m.-8 a.m. E.S.T.)
7. Buenos Aires..	17 o'clock to 23 o'clock (5 p.m.-11 p.m. E.S.T.)	7. Buenos Aires..	7 o'clock to 23 o'clock (7 a.m.-11 p.m. E.S.T.)

7-11-40.

HIGH POWER SHORTWAVE TRANSMITTING STATION

As requested, I have to-day checked with R.C.A. on the delivery of a 50 Kw. S. W. transmitter. As you know, four of these transmitters are now being built in Camden; three have already been ordered and an order on the fourth is pending from several sources. Delivery on the fourth transmitter is scheduled for May, 1942. Mr. McMurray intimated to me that a Canadian source other than the C.B.C. is interested in the fourth transmitter, possibly National Defence. R.C.A. also expect orders for transmitters as follows:—

Australian Broadcasting Commission—4 50 Kw. transmitters; Free French Forces—2 50 Kw. transmitters in addition to the one already on order.

Delivery on these latter transmitters will be in about two years.

According to our present estimates, the cost of a complete 50 S. W. transmitting station with two antennas located at Sackville, N.B., is \$398,000 and the annual operating charges would be about \$93,900 plus the cost for money and repayment of capital, whatever that might be. Included in the \$93,900 is the cost of a line Toronto to Sackville; i.e., \$45,000 per year.

I am attaching hereto details of the capital and operating costs.

(G. W. OLIVE)

Montreal, July 2nd, 1941.

50-60 KW. SHORTWAVE TRANSMITTING STATION—CAPITAL COST ESTIMATES

Land	\$ 5,000
Property Improvement	
Well and Pump	3,500
Roadways	1,000
Fence	4,000
Lighting	3,500
Building	90,000
Furnishings	2,500
Substation	5,000
Cable entries to buildings	1,000
Transmitter	210,000
Speech Input Equipment	3,000
Installation and Electrical	17,000
2 Antennae and Transmission lines	30,000
Measurement and Test Equipment	4,000
	<hr/>
	\$379,500
Contingent 5 per cent	18,975
	<hr/>

Total Estimated Cost \$398,475

These costs are based on construction at Sackville, N.B., on property adjoining CBA. They are based on orders being placed at present exchange rates and existing taxes.

Building construction would require eight months from date of contract, as of this date.

Equipment delivery can be obtained by May, 1942, on immediate order.

Installation and test will require three to four months.

Estimates provide for three frequencies and two directions of transmission *or* for two frequencies and three directions of transmission.

50-60 KW. SHORTWAVE TRANSMITTING STATION—ANNUAL OPERATING COST ESTIMATES

Power	\$15,000
Rentals	
Telephone	100
Program Circuits (Toronto to Sackville)	45,000
Maintenance—Building	
Repairs	2,500
Heat and Light	1,800
Maintenance—Electrical	
Tubes	12,000
Spare Parts	1,500
Other Items	1,000
Salaries	
Supervising Operator	2,400
3 Broadcast Operators	5,400
3 " "	4,500
Janitor	1,200
Administration & Miscellaneous	1,500
TOTAL ANNUAL OPERATING COST	\$93,900x
xTO ADD cost of money and repayment of capital.	

NOTE: These costs are based on construction at Sackville, N.B., on property adjoining C.B.A. and material costs as of this date. Note that annual line cost from Toronto to Sackville is included.

HIGH POWER SHORTWAVE TRANSMITTERS

Here are some notes which may be useful to you in the preparation of the report which has been requested by Honourable Mr. Thorson.

A 50 kw. shortwave transmitter located at Sackville, N.B., would cost approximately \$400,000 including two directional aerials. This estimate however may vary according to market conditions and also to the type of building which would be required. If the plant must be protected from air raids or similar war action, the cost may be somewhat higher.

The annual cost of operation, including a line from Toronto to Sackville but not including interest on the money invested and repayment of capital, would be somewhat below \$100,000 per year. This last item would add approximately \$50,000 per year to the operating cost on a basis of $3\frac{1}{2}$ per cent interest and ten years amortization.

If an order was placed immediately, we might obtain delivery of the equipment in May, 1942, by which time the building required should be well under way or even completed. There is apparently under construction at the R.C.A. plant at Camden a transmitter which has not yet been assigned to any of the numerous prospective buyers. If that particular transmitter is not secured for Canada, it will take at least two years to build another one.

If it is decided to proceed with the construction of this station, I would highly recommend that Mr. Hayes, in charge of Empire transmission at the B.B.C., should be requested to spend some time in Canada in order that we may, once and for all, decide on the rather involved question as to whether the transmitter should be located in the Maritimes or in Montreal or in some other central point. Once that this is determined, Mr. Hayes should come back to us when we are ready to make final tests. His experience in establishing the B.B.C. shortwave broadcast system would be inestimable to us.

It should also be noted that we would ourselves require a little time to get started on this job because our staff in the Construction Department is at a minimum just now and it is very difficult to find qualified help at this time. I would not like to be committed to start operation in May, 1942; it is more likely that the plant will not be absolutely ready to operate before September, 1942. This of course does not take into consideration any delay due to priority being given to some other construction by National Defence authorities either in Canada or in U.S.A.

Assistant General Manager

Montreal, July 3, 1941.

OTTAWA, SEPTEMBER 4TH, 1941.

Honourable J. T. Thorson, K.C.,
Minister of National War Services,
Ottawa.

DEAR MR. THORSON,

I am sending you herewith a summary of the different steps which have been taken during the last few years towards the construction of a high-power short-wave broadcasting station in Canada. Up to now all statements have been favourable to the project. I also enclose some notes on the possibilities of such a station and abstracts from newspaper comments.

The general set-up proposed is that the C.B.C. would build and operate this station but that the cost of both construction and operation would be borne by a special appropriation from the Government of Canada. It is very important, for reasons of control, of economy and to facilitate programing, that the C.B.C. should be in charge. Unfortunately our revenues are not sufficient to take care

of this important work. Furthermore, it is doubtful whether we should use the revenues from licence fees paid by Canadian listeners only to broadcast to other countries. This station will be beneficial to Canada at large, and it seems reasonable that its cost should be met by means of an appropriation of money contributed by the people of Canada as a whole.

Particularly under war conditions, delivery on high-power transmitters is an uncertain matter and depends on the production conditions in manufacturing plants at the time of purchase. I am told that the Radio Corporation of America is about to start production on a number of units which could be delivered in from eight to ten months. Once these transmitters are sold, buyers will have to wait until another quantity is completed before delivery can be obtained. This may mean upwards to two years delay.

Unless Canada is prepared to take the chance of having to wait a very long time before starting broadcasting on shortwave to Europe, South America or elsewhere, it is essential that an early decision be made so that advantage could be taken of present favorable conditions. As costs vary very quickly, it is impossible to give a satisfactory estimate on the project, but under present conditions it is most probable that 50 kw. station with two antennas, one directed to Europe, the other to South America, could be built for not over \$500,000. The cost of operating the station including lines to central Canada would be approximately \$100,000 annually. This, however, does not include the cost of programs which may vary greatly according to the nature, quality and quantity of programs broadcast and on the policy adopted. The cost of programs could easily run over \$200,000 per year although it may be kept below that figure if special arrangements are made *with C.B.C.* and other organizations.

May I submit that an early decision is essential if Canada is to have a high-power shortwave station in operation within a reasonable time. As a matter of fact, to make sure that delivery would be obtained within ten months an order should go through within the next three or four weeks, an early decision would be safer. So far as the C.B.C. is concerned, intensive tests to determine the best location for such a service have recently been completed and we are quite ready to go ahead immediately. Furthermore, we have undoubtedly the best qualified staff in Canada to undertake such an important project.

Yours faithfully,

(AUGUSTIN FRIGON)

Assistant General Manager.

ESTABLISHMENT OF A SHORT WAVE STATION

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Reference of Board of Governors and of Parliamentary Committees.
 Extracts from Hansard.
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ESTABLISHMENT OF A SHORT WAVE STATION

1. *References of Board of Governors—*

(a) Fifth Meeting of the Board held August 5-7, 1937: Board unanimously agreed that representations should be made to the Government urging the establishment of a short wave station with government funds for the purpose

of interpreting Canada to the world, for national advertisement abroad, to facilitate the exchange of short wave programs with the other nations of the world. The Chairman undertook to communicate the views of the Board of Governors to the Government, together with figures specifying costs of construction and upkeep.

(b) Seventh Meeting of the Board held March 22-25, 1938: A proposal to establish a short-wave broadcasting station was discussed and it was decided that this matter should be referred to the Finance Committee for further consideration.

(c) Ninth Meeting of the Board held December 19-20, 1938: The Chairman emphasized the real need for a high power short wave station. He was authorized to take the matter up with the Minister of Transport.

2. References of Parliamentary Committees—

(a) Extract from final report of 1938 House of Commons Standing Committee on Radio Broadcasting:

Your Committee was impressed with the importance of the establishment, at an early date, of a high power short wave broadcasting station. Such a station, your Committee believes, would be a great utility in interpreting and advertising Canada abroad and in facilitating an exchange of programs between Canada and other broadcasting systems. Canada, your Committee was informed, is the only major trading nation without such facilities. It is submitted this should be financed as a national project, operated and controlled by the Corporation.

(b) Extract from final report of 1939 House of Commons Standing Committee on Radio Broadcasting:—

The Committee of last year emphasized the importance of establishing at as early a date as possible, a high power short wave broadcasting station, financed as a national undertaking, but operated and controlled by the Corporation as an integral part of its system. Such a project would facilitate the exchange of programs with other countries, would serve to advertise and interpret Canada abroad, and supplement the domestic program service. Canada is the only leading trading nation without such facilities. We desire to draw the attention of the government to the imminent possibility that further delay in proceeding with the undertaking may result in Canada losing altogether the short wave channels registered in her name, and as a consequence being shut out of the field entirely.

EXTRACTS FROM HANSARD

Mr. THOMAS REID (*New Westminster*)—Tuesday, November 19, 1940:—

I believe Canada should commence immediately the construction of a high-powered shortwave broadcasting station so that speeches might be sent from this country to any part of the world it might be thought desirable. . . I am going to ask the government to give serious consideration to the erection of such a high-powered shortwave station, to which should be attached a foreign language bureau." Continues his speech by advocating use of shortwave station to counteract unfavourable propaganda and to aid in developing trade with South America.

Mr. W. A. TUCKER (*Rosthern*)—Monday, November 25, 1940:—

...I should like to deal for a moment with the question of radio broadcasting. When a suggestion is made, many of us are apt to say that we agree with it, but when it comes down to actually agreeing to carry out the proposal, there is often a tendency to hang back. It is with that

tendency that I wish to deal to-night. One of the things I should like to see accomplished is the setting up in Canada of one of the most powerful shortwave radio broadcasting stations in the world." Mr. Tucker advanced as arguments in favour of establishing a shortwave station (1) that it would enable more French programs to be broadcast to French speaking listeners in Western Canada; (2) that it would enable us to dispel the false Hitler propaganda about Canada's war effort; (3) that it would enable the French speaking leaders of this country to speak to French speaking citizens in all the countries of the world letting them know exactly where Canada stands and (4) it would help our trade efforts with South America.

Mr. D. G. Ross (*St. Paul's*)—Tuesday, November 26, 1940:—

Another matter with which I wish to deal at this time is one which I believe at a time like this is of the utmost importance. I refer to the necessity of installing as quickly as possible a powerful shortwave radio broadcasting station with a volume of possibly 50,000 watts" ... Urged immediate action on account of necessity of counteracting Axis propaganda in South America where we have trade interests ... "What would be the result if anything happened to the British Broadcasting Corporation ... It seems to me that as part of her war effort Canada might help Great Britain by erecting such a station as I have mentioned. This should be done quickly."

Dr. HERBERT BRUCE (*Toronto*)—Monday, February 7, 1941:—

Asked question of government whether consideration had been given to proposal to establish a shortwave station in Canada to replace any bombed out in Britain. Answered by Hon. C. D. Howe that United Kingdom authorities did not consider establishment of such a station now essential. Cost would be about \$2,500,000. In the ensuing debate Mr. D. G. Ross pointed out that a 50 kw. station would only cost \$500,000. Mr. Howe agreed, but said that installation such as Daventry with four 50 kw. stations would cost between \$2,000,000 and \$4,000,000.

Mr. D. G. Ross (*St. Paul's*)—Tuesday, February 25, 1941:—

Before the recess, with several other members I urged the installation of a high powered shortwave radio broadcasting station in Canada. I believe there are many reasons why it would be advantageous for Canada to have such a means of communication with South America and Mexico. The cost is not prohibitive, and I understand the Canadian Broadcasting Corporation is anxious to have the installation. It would prove greatly advantageous to the Department of External Affairs in these troubled times, especially in view of the fact that German, Russian and Italian radios hammer at those people all the time. Will the Prime Minister tell us when we may expect to have a high powered shortwave broadcasting station and will he explain why we have not such a station to-day?

The Prime Minister (Mr. King) said that "the consideration at the root of the question is one of expenditure of public moneys ... Possibly at some other time the Minister (of Munitions and Supply) will tell the honourable member why the project has not been proceeded with up to the present and whether there is any likelihood of its being proceeded with in the near future."

Mr. THOMAS REID (*New Westminster*)—Monday, May 5, 1941:—

Repeated arguments of previous year urging immediate action in connection with establishment of high powered shortwave station.

DIGEST OF EDITORIAL OPINIONS

Ottawa Citizen—December 21, 1939:—

News story, headed "Canada Lagging in Shortwave Radio", which was really editorial comment. It stated that the opening of Australia's new world-wide shortwave broadcasting service emphasized, anew, the fact that Canada continues to lag behind in the establishment of a similar service here. This despite the fact that parliamentary committees on radio, the past two sessions, have strongly recommended that the government proceed without delay to construct such a station and service. The story said that because of war conditions it is possible that the government may decide to provide the necessary funds in the forthcoming estimates. The article went into the cost of shortwave service (estimated at \$450,000), and said that the C.B.C. Board of Governors has constantly pressed the government, apart from the House of Commons committees, to initiate the shortwave service. No officials of government, or the C.B.C. were quoted in the story.

Note.—The same story appeared on the same day in the *Montreal Star* and the *Edmonton Journal*, with Ottawa date lines. The *Star's* story was credited "Star Special by Staff Correspondent." The *Edmonton Journal's* story was credited "By J. A. Hume (from *Edmonton Journal's* Ottawa Bureau. Copyright, 1939, by the Southam Co.)." Both were used as news stories.

Digby, N.S. Courier—November 23, 1939:—

Letter to the editor quoting the *Financial Post's* interview with Mr. Rene Morin on shortwave radio possibilities in Canada. The *Post* said that Mr. Morin was in favour of the construction, but thought the question was one which will have to be decided by the Dominion Government, not the C.B.C.

Regina Star—December 12, 1939:—

Editorial stating that reports from Ottawa to the *Financial Post* convey the inference that for fear of offending the United States, the Government has shelved all matters connected with the proposed shortwave radio station for the Dominion. Failed to see why the United States should be concerned and thought that all nations admitted Canada's claim to a shortwave station by allocating a cleared channel for the purpose. Thought that Canada could do a better job than the B.B.C. in broadcasting to this continent.

Financial Post—December 9, 1939:—

Stated that the Canadian government is said to have abandoned the idea of acquiring a shortwave station. "Ottawa has apparently succumbed to the belief that shortwave broadcasting would give United States isolationists a 'cry'." Said that from all parts of the world there has been an insistent demand from trade commissioners that Canada utilize shortwave as a sales weapon. This need more insistent since the outbreak of the war. Also need something to dispel false rumours in the United States which might damage tourist trade. Thought that in terms of what Canada is spending for destructive weapons the outlay needed for shortwave is nominal—little more than the cost of a bombing plane. Quoted the *Winnipeg Tribune*, which strongly supports the *Post* on urging shortwave service for Canada.

Financial Post—January 6, 1940:—

If Australia could use shortwave to inform and educate the world about itself, the *Post* wanted to know why Canada couldn't? Said the

only argument Ottawa had presented was that such a move might be construed "unfriendly" to the United States. Referred to the *Regina Star's* editorial (see previous page) and quoted it at length. Said that Canada's need has been magnified since the outbreak of war, and that Canada was offered the chance, shortly after war broke out, to obtain shortwave facilities at a purely nominal cost for the duration of the war, which met a common objection repeated recently by the *Ottawa Journal* that the cost would be prohibitive. Declared that no country is in a better position than Canada to speak clearly and openly about phases of the Allied war effort, not now understood or deliberately misrepresented to the people of the United States. Concluded that Canada might wisely follow Australia's need, not only as a definite phase of Canada's war effort, but also as a phase of national planning which can be of immense value in peace as well as in war.

Ottawa Journal—December 29, 1939:—

Editorial admitting the great need of Canada for a shortwave station, but stating that the cost is prohibitive as far as the C.B.C. is concerned and that there are more urgent calls upon government funds. Said, however, that Canada cannot indefinitely lag behind most other countries in this respect, but it comes down to a question of money.

Regina Star—December 22, 1939:—

Referred to the shortwave address of the Prime Minister of Australia and said that Canada was behind the Antipodean commonwealth in the development of our broadcasting facilities. In connection with the possibility that the United States might object to operation of a similar service by Canada, the *Star* thought it was not a valid reason for not having a shortwave station. "In cold print", said the *Star*, "it looks simply silly."

Windsor, N.S. Tribune—November 24, 1939:—

Editorial stressing the advantages which might be obtained for the tourist trade if Canada had a shortwave station, and also pointing out its value in strengthening the goodwill between Canada and the United States in time of war.

Winnipeg Tribune—December 27, 1939:—

Asked why Canada should be left defenseless in the field of short-wave radio, saying that already this country has been "attached" with German broadcasts about the Quebec elections and Russia's broadcasts about Canadian workers' views of the war. Hoped that construction of a shortwave station would be moved by the government at the forthcoming session of Parliament.

(No adverse comments have been observed in any paper.)

(1) *Possibilities of a Shortwave Station*—

A high power shortwave transmitter of, say 50 Kws., is capable of being heard virtually anywhere in the world. The transmitter can be constructed to operate on a series of frequencies permitting of a concentration of the signal in various specific directions. Thus, service can be laid down to Europe, at one time; to South America, at another; to Australia, at another. The station could also be heard in the country in which it is located, except within areas adjacent to the transmitter, which would vary in extent according to the frequency used. Reception in the country of origin would depend, of course, on the direction in which the service was operated. A high power shortwave array could be operated to give broadcasting service not only to foreign countries, but to large areas of Canada as well. It would, therefore, be possible to devote the station in part to domestic functions.

(2) *Functions of a National Shortwave Station in Canada—*

The usefulness of a national shortwave station may be discussed under two bands—Internal and External.

A—*Internal:—*

(i) *To supplement existing national radio coverage.* Being capable of national as well as international coverage, the station could be heard in certain parts of Canada, depending upon the location of the transmitter and the direction of the broadcast. There would thus be provided a degree of supplementary coverage by shortwave. In some cases, this would fill in gaps where there is no coverage from existing Canadian stations, and augment the service being received in areas where present coverage is poor.

(ii) *To facilitate a larger measure of international program exchange.* At the present time, Canada receives programs from Great Britain via shortwave. Without a shortwave station of our own, we are under serious handicaps in reciprocating this service. If we were able to broadcast programs by shortwave to foreign countries, especially South America, as well as to the United Kingdom and other parts of the Empire, it would be possible to enter into reciprocal arrangements with many countries for the production of programs designed for Canadian consumption. These could be received by the shortwave station at Ottawa and put out over the national network in the same fashion as programs from Daventry are rebroadcast at the present time. In this way, Canada would be in a position to obtain the best available radio programs the world over. This would add to the variety, interest and attractiveness of the regular national network service. Unless and until Canada has a station, exchange of programs must necessarily be restricted and one-sided. We will be in a satisfactory position only when we have a transmission station which can be used in sending programs direct to the point of destination.

B—*External:—*

(i) *National prestige and advertising.* Canada alone of the great trading nations is without shortwave facilities. A station would be a most profitable investment in direct and indirect national advertising. That the government attaches due importance to national publicity in foreign lands can be seen from the fact that in times of peace it expended approximately \$300,000 a year for advertising in the United Kingdom alone. A shortwave station would be of particular value in promoting the tourist trade. In terms of prestige, Canada should have the means of broadcasting to the world its national celebrations and events of international significance. Our efforts to broadcast the Royal Visit to the Empire and other parts of the world was seriously handicapped by the absence of shortwave facilities; the same applies at the present time in the case of war services programs, such as those to the troops overseas and others.

(ii) *International relations.* There is a legitimate and dignified place which Canada can occupy in international broadcasting. The experience of our country in reconciling differences of race and religion, and our unique background of a joint cultural heritage, constitute a message which can unobtrusively and profitably be made available in the world's present troubled state. The democracies cannot afford to abandon the air to the disseminations of hatred and strife from the dictatorship stations. Day to day broadcasting from the democratic countries, can do much to redress the balance in favour of reason and goodwill.

(iii) *Direct communication with other countries.* The advantages in being able to broadcast direct to other countries in times of peace, are obvious. In time of war, shortwave broadcasting is proving of decisive importance.

(3) *Need for proceeding at early date:—*

Short wave channels were reserved with the Union Internationale de Radio-diffusion at Berne, Switzerland, in the 6, 9, 11, 15, 17, 21 and 25 megacycle bands. Although these reservations stand at the present time in the name of Canada, some frequencies have been taken over by other countries for their own use. It is becoming increasingly clear that the only way in which Canada can ensure for herself frequencies on which to operate a shortwave station, is actually to occupy the channels by operating a high power transmitter on them. With the growing use of shortwave by all nations, particularly the totalitarian states, we face the alternative of having to take action within the near future or be shut out of the field. Unless Canada gets on the air with a powerful station at an early date, there will be no frequencies available as these are being rapidly pre-empted by other countries who realized the advantages of shortwave broadcasting.

Ottawa, Ontario,
September 3, 1941.

C.B.C. INTERNAL MEMO

Subject: Cost of shortwave programs

I have not had much opportunity of looking into this matter thoroughly and the figures I am giving you cannot be considered anything more than an extremely rough estimate. It may well be that there are some costs that I have completely overlooked. The following are items that have occurred to me and which I think would be essential in the operation of a shortwave program service. I have divided them into two categories,

- (1) Recurring expenditures, and
- (2) Capital expenditures.

In the latter case, (2), I have no means of knowing just what these costs would be but I think they must be considered.

It seems to me that all shortwave service is largely built around a framework of news, both international and domestic. Therefore, you will note that I have included an item for news broadcasting rights. It seems to me that we would find it difficult to make a bargain with the news collecting agencies to make use of their news for world-wide distribution on a gratis basis. Whether the sum of \$25,000 would be anything like a fair figure to purchase a news service is purely a matter of conjecture on my part.

You will also notice that I have included a sum of \$25,000 for rebroadcasting rights. You are no doubt aware that it costs the B.B.C. a large sum of money to record programs presented on their Home Service for broadcasting subsequently in their Shortwave Service. If possible I would prefer to make a deal with the musicians whereby blanket permission was obtained to record any or all programs broadcast over the C.B.C. national network. What attitude vocalists, actors or others without the protection of a Union would take I do not know but if Union musicians were paid for rebroadcasting rights I think it is safe to assume that artists generally would expect the same consideration.

You will note that I have included a sum of \$10,000 for blank discs for recording purposes. This is purely an arbitrary figure. I have no means of

estimating what the actual cost would be. That, of course, is predicated entirely upon the number of programs we would want to record and rebroadcast.

Under Section (B), I have estimated the cost of personnel at about \$32,000 per annum and have outlined what I think would be about the minimum number of people required.

Under Section (C), there may be some items that need explanation. Line costs estimated at \$3,000 are included to cover the occasional excess or duplicate transmission line service that might be required to bring a program from Vancouver or Winnipeg while our normal facilities were in use.

There is very little doubt but what we would need some additional studio space, particularly if we are going to stay in our already over-crowded quarters in either Toronto, Montreal or Vancouver. The same can be said of office space.

You will note that I have put down a figure of \$10,000 for general program operating overhead. This is meant to take care of such items as paper, pencils, replacement of typewriters, desks, etc.

Under Section (D), I have included an item of \$3,000 for publicity. Just how this would be spent I can't say at the moment but I think we should have something for printed matter as we might want to publicize our service, particularly in Latin America.

Under Section (E) — "Capital Expenditures", I have included only three items which come to my mind. Undoubtedly there are more.

Items (A), (B), (C) and (D) total \$118,000, leaving a free balance of \$82,000 with which to schedule specially produced programs of a nature suitable for the country at which they are directed. This is an average of about \$1,500 a week and this figure does not allow us much latitude. It would mean that we could produce anywhere from five to ten unpretentious but appropriate programs each week, including a few talks.

I do not think it is possible to make anything like an accurate estimate of what the program cost would be until it is known just what we are trying to accomplish by means of these shortwave programs and how extensively we want to go into foreign language broadcasting. It is clear, however, that if we want to interest the Latin Americas we would have to have Spanish and Portuguese announcer-producers as well as news translator-editors. If we wanted to reach the Continent of Europe we would also have to count on a small staff of Germans, Italians and probably Russians. Our present French staff *might* be able to cover the field for France.

In a project of this kind the fact that the present staff of the C.B.C. would make a tremendous contribution toward it must not be overlooked. The various departments of the present C.B.C. program organization would not only be available but would be obliged to take a very deep interest in the arranging and producing of programs used on the shortwave service. The various department heads would assist the Supervisor of Short Wave Broadcasts and his staff in choosing material, selecting speakers, providing musical scores, selection of news items and in many other ways too numerous to mention. In other words, the full force of a going concern could and would be used to advantage, the cost of which in dollars and cents could not possibly be determined or should not be underestimated. Without the back log of an experienced broadcasting staff this whole project of course would be impossible but just what this represents either in terms of cost or value is something that is difficult to put down on paper.

I hope these figures will be helpful to you but I should like to emphasize that they cannot be considered anything more than the roughest of rough estimates.

(Sgd.) E. L. BUSHNELL,
General Program Supervisor.

Toronto, Oct. 3/41.
Encl.

ESTIMATED COST OF SHORTWAVE PROGRAM SERVICE

(1) *Recurring Expenditures*

(A) News rights	\$ 25,000 00	
Blank discs for recording.....	10,000 00	
Recording rights to be paid to musicians and other artists	25,000 00	\$ 60,000 00
<hr/>		
(B) 1 Sup. of Shortwave Broadcasts.....	\$ 4,000 00	
5 Foreign Language Announcer— Producers at \$3,000.....	15,000 00	
3 Stenographers at \$1,000.....	3,000 00	
5 News Translator-Editors at \$2,000.....	10,000 00	\$ 32,000 00
<hr/>		
(C) Transmission Line Costs.....	\$ 3,000 00	
Additional Studio Space.....	7,000 00	
Additional Office Space	3,000 00	
General Program Operating Overhead.....	10,000 00	\$ 23,000 00
<hr/>		
(D) Publicity	\$ 3,000 00	\$ 3,000 00
		<hr/>
		\$ 118,000 00
Special Program Originations.....		\$ 82,000 00
		<hr/>
TOTAL		\$ 200,000 00

(2) *Capital Expenditure*

- (E) Office equipment—for staff of 10-15.
additional recording and reproducing equipment.
revamping of studios.

HIGH POWER SHORTWAVE TRANSMITTING STATION

The increase in costs if the high power shortwave transmitting station were located at Yarmouth instead of Sackville would be as follows:—

The capital cost would be increased by \$50,000 distributed as follows:—

Property increased cost.....	\$ 5,000 00	
Building increased cost.....	25,000 00	(including staff quarters)
<hr/>		
Substation increased cost.....	15,000 00	
Cable Entrance increased cost.....	5,000 00	
<hr/>		
TOTAL	\$ 50,000 00	

The operating cost, on the basis of one program circuit from Toronto to Yarmouth, 24 hours per day, would be increased by approximately \$70,000 made up as follows:—

Staff increased cost.....	\$ 12,000 00
Power increased cost.....	15,000 00
Line increased cost.....	43,000 00
<hr/>	
TOTAL	\$ 70,000 00

In addition, I have obtained the following information from Mr. Hutton which is only approximate but which he says is an outside figure. He will give more exact cost in writing to me on Monday next.

Lines Charges

Toronto to Sackville: 16 hrs.....	\$ 50,000 00
24 hrs.....	59,000 00
<hr/>	
Toronto to Yarmouth: 16 hrs.....	80,000 00
24 hrs.....	93,000 00

(Signed) G. W. OLIVE.

Montreal, October 4, 1941.

OTTAWA, Ontario,

September 24, 1941.

Dear Mr. Hume:

Confirming our telephone conversation today, Dr. Frigon and myself will attend a conference on shortwave in the Minister's office at 2.30 p.m., Wednesday, October 1, as suggested.

Yours faithfully,

DONALD MANSON,
Chief Executive Assistant.

J. A. Hume, Esq.,
Private Secretary,
Minister of National War Service,
Ottawa, Ontario.
DM/G

OTTAWA, October 7, 1941.

Personal

Mr. N. A. Robertson,
External Affairs Dept.,
Ottawa.

Dear Mr. Robertson:

You seemed surprised the other day, in Hon. Mr. Thorson's office, when I mentioned that a 50 kw. shortwave transmitter would cost a little over \$200,000, as you had been given a figure of \$123,000, if I remember correctly, from some English source. I believe we were both right and the following figures will tell you why.

Price of a 50 kw. transmitter at Camden, N.J.	
(U.S. currency)	\$125,000.00
11% exchange	13,750.00
25% duty	34,487.00
8% sales tax	13,875.00
Transportation	2,775.00
War exchange tax	13,875.00

Total cost in Canadian currency in Montreal... \$203,762.00

I thought this information would interest you.

Yours faithfully,

AUGUSTIN FRIGON,
Assistant General Manager.

OTTAWA, October 7, 1941.

Honourable J. T. THORSON,
Minister of War Services,
Ottawa.

Dear Mr. THORSON,—

May I submit the following comments of the cost of building and of operating a high power shortwave radio broadcasting centre in Canada.

Considering first the technical side, you will realize that it is impossible to prepare a close estimate at this time on account of the greatly fluctuating cost of material. The figures below are therefore subject to market conditions.

They may further be considerably affected if satisfactory priorities are not obtained for the delivery of materials.

We already have at Sackville, N.B., a station operating at a standard broadcasting frequency and we own at that point a certain area of property which could be partly used for a shortwave station and its aerials. We also have there an operating staff with a fully qualified engineer in charge. An extensive survey made by us indicates that from the point of view of efficiency of transmission to Europe, Nova Scotia is the most appropriate region where to install a transmitter, and that Sackville, just a couple of miles across the border in New Brunswick, is almost as good a location as anywhere else. It would be more economical to build near Montreal, but the efficiency of reception in Europe would be materially impaired. If we were to build at some more southern point in Nova Scotia, very little would be gained in efficiency but the capital cost would be easily \$50,000 higher and it would cost at least \$50,000 more annually to operate the plant. All the following figures are therefore based on the plant being located at Sackville, N.B.

The cost of two 50 kw. transmitters and of three directional aerials, which would permit the transmission of two distinct programs at the same time and in any two of three main selected directions, would be approximately \$800,000, provided the order for the equipment is given soon enough to be handled with a group of transmitters now going into production in an American plant. This estimate includes aerials of the best type and, without being extravagant, is on the safe side. It is hoped that with the benefit of our organization and the experience of our specialized engineers, in such matters, the cost may be kept below that figure, but it is essential that this amount should be available if the construction is to be carried through without financial difficulties.

On a 16 hour per day basis, the annual operating cost would be approximately \$150,000, including all maintenance, extra operators to be added to our present Sackville staff and transmission lines from Toronto, Ottawa and Montreal to bring programs from our central studios. However, this amount does not include interest and amortization on the capital invested.

If started immediately, the new shortwave transmitting station might be in operation at the end of 1942.

It is difficult to estimate the cost of supplying programs to such a station with an international coverage; all depends on the policy followed and of what it is hoped to accomplish. It may be expected however that the service will be largely built around a framework of news both international and domestic. This means that news broadcasting rights will have to be secured.

It will also be necessary to make arrangements with musicians' unions to obtain against compensation a blanket permission to record any or all programs broadcast over the C.B.C. national network, for rebroadcasting by shortwave. A great quantity of blank discs for recording purposes will have to be purchased.

A number of persons will have to be employed: announcers, producers, stenographers, etc., because even such simple broadcasts as talks require a great deal of internal work which is not usually suspected by the layman. Foreign language broadcasts will require translators and editors and a small staff of people familiar with Spanish, Portuguese, German, Italian, Russian, etc.

All told, we estimate that the cost of supplying programs to the short wave station would easily require \$250,000. This may seem a high figure, but we must keep in mind the very great number of periods to be filled and the continuous supervising required for each individual program. It is, of course, impossible to feed this station with programs direct from the network because of the difference in time in different parts of the world and also because many commercial network programs would not be appropriate for international broadcasting; many so-called "fill-in" will have to be produced on that account.

\$250,000 is indeed very moderate and would be absolutely insufficient if the station was not operated by the C.B.C. staff.

As in the case of the technical operation of the station, it does not include any reimbursement to the C.B.C. for the use of its personnel and facilities already required for the operation of the national network, it only covers extra expenditure due to the addition of the short wave station to the present set-up. Although a sum lower than \$250,000 may be sufficient if the quality of service were reduced but a much larger amount could be spent if elaborate musical or variety programs were to be produced.

If the Government of Canada, through its various departments, wishes to use the station for propaganda, publicity or news broadcasting purposes which would require the payment of fees to speakers, this will have to be arranged by the Government itself at its own cost.

Our financial position will not of course permit us to take care of either the capital construction cost or the annual operating cost. Our total operating budget is only \$4,300,000 as compared to some \$18,000,000 for the B.B.C. and to enormous figures for the two main American networks. Besides, it is doubtful whether we could properly or even legally use part of the licence fees paid by listeners to broadcast outside Canada.

The C.B.C. is however fully prepared to supervise for the Government of Canada the construction of the new high power short wave station and to manage its operation thereafter. Proper arrangements will have to be made to keep this enterprise separate financially from the ordinary business of the C.B.C.

Yours sincerely,

AUGUSTIN FRIGON,
Assistant General Manager.

Copies sent to:

Mr. René Morin
Mr. N. L. Nathanson
Mr. J. W. Godfrey
Mr. W. E. G. Murray
Montreal Files.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

FRIDAY, JUNE 12, 1942

Statements respecting the establishment of a high-powered shortwave
station in Canada

by

Hon. C. D. Howe, Minister of Munitions and Supply and
Hon. J. T. Thorson, Minister of National War Services.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

FRIDAY, June 12, 1942.

The Special Committee on Radio Broadcasting met this day at 10.30 a.m. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton-East*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemont*), Hanson (*Skeena*), Howe, McCann, Rennie, Ross (*St-Paul*), Thorson and Tripp.—12.

In attendance:

From the CBC: Messrs. Murray, Frigon, Manson, Bushnell, Brodie, Findlay, Radford, Miss Belcourt and Mr. E. H. Charleson, of the Board of Governors.

From the Department of Transport: Lieutenant Commander C. P. Edwards and Messrs. Rush, Caton and Bain.

From the Department of National War Services: Mr. Justice T. C. Davis, Associate Deputy Minister.

The Chairman informed the members that he had invited the Minister of Munitions and Supply and the Minister of National War Services to be present and express their opinions on the question of establishing a high-powered shortwave station in Canada.

Honourable C. D. Howe was heard and questioned. He was assisted by Lieutenant-Commander C. P. Edwards, Deputy Minister and Mr. W. A. Rush, Controller of Radio, Department of Transport.

Honourable J. T. Thorson was also heard and questioned.

It was agreed to resume the examination of Major Gladstone Murray at the next sitting.

The Committee adjourned until Tuesday, June 16, at 10.30., in Room 429.

ANTONIO PLOUFFE,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 429, June 12, 1942.

The Select Committee on Radio Broadcasting met this day at 10.30 o'clock a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. Mrs. Casselman and gentlemen, we have a quorum and we will proceed with the meeting. Arising out of the matter that came before the committee at the last meeting I have invited the Hon. Mr. Howe and the Hon. Mr. Thorson, the two ministers directly connected with radio, to appear before the committee this morning. They cannot stay for very long, and the matter which we wish to bring before them will not take very long for an expression of opinion on their behalf.

I might say that at the last meeting of the committee the question arose with reference to the establishment of a shortwave broadcasting station for Canada. I was suggested, and there was a motion to the effect, that the committee make an interim report urging upon the government or at least pointing out the urgency of the present situation because of the fact that there is great difficulty at times procuring a transmitter. We were informed by Dr. Frigon that there was the possibility then of obtaining a transmitter for Canada within the near future and that we would have to take advantage of that very quickly if we wanted to secure that transmitter.

The motion to the effect that we put in an interim report was lost but the assurance was given to the committee and to the mover and seconder of the motion that the matter would not drop at that stage but rather we would have an expression of opinion by the ministers with reference to their personal views upon the matter and probably the view of the government.

I think that explains the situation very briefly, and I am now going to invite Mr. Howe to give us an expression of opinion from his point of view and probably from the government's point of view with reference to the matter. Then, after we have had Mr. Howe's view we shall call Mr. Thorson and then we will be in a position to decide whether or not it would be advisable to present an interim report along the lines suggested.

Mr. COLDWELL: It is understood that this morning we are going to confine our questioning of the ministers to the shortwave situation?

The CHAIRMAN: Exactly. It is just to get that information that they are called here to-day. Mr. Howe I know will appear before the committee at some subsequent date with reference to his connection with the C.B.C. Mr. Howe, would you be good enough to give us an expression of your opinion?

Mr. Ross: Just before Mr. Howe starts I should like to ask a question. Is not the Minister of Trade and Commerce interested in this question of short-wave, as well?

The CHAIRMAN: He may be, but not from the management point of view or not from the policy point of view of the government with reference to the building of a station. He probably would be very much interested in it if it were established. He would be interested in the use of it.

Mr. Ross: As a matter of fact I would think he would be one of the members of the cabinet who should be pressing for it.

The CHAIRMAN: If it is the wish of Mr. Ross that the Minister of Trade and Commerce express his views upon it, that can be done at a later date. Mr. Howe, will you now proceed?

Hon. Mr. HOWE: Mr. Chairman, this is a subject that has come up in every committee, I think, since the C.B.C. was formed. Mr. Brockington, the committee knows, was a strong proponent of it, and I may say that it has always been linked with the immediate availability of a transmitter. I hope the committee will not be too much excited about that. Is this the same transmitter that has always been immediately available or just another one? There was one lying down in the Marconi basement in New York, and it was available.

Dr. FRIGON: It is not yet available.

Hon. Mr. HOWE: There was one available; has that one been disposed of?

Dr. FRIGON: I think it has.

Mr. Ross: There has been one available from time to time when this thing has been discussed?

Hon. Mr. HOWE: A transmitter has always been available, but when you buy one it will undoubtedly be built to order. You do not buy these things off the shelf. I would not worry too much about doing this to-day, to-morrow or next week, instead of three months from now. In any event the chances are as things stand to-day it would probably be built in Canada. However, I have had opinions on this thing. Perhaps to go back a little, when I first took an interest in radio, radio was handled by the Broadcasting Commission and the funds were collected by the same department that they are collected by now, a branch of the Department of Marine, and they went to the Receiver-General's hands and the money was voted by parliament to the Broadcasting Corporation. The result was on the estimates every year there was great discussion on broadcasting affairs and the minister was put in the position of having to explain the internal workings of the commission and why they choose one artist and not another, and I thought that it was important to better improve broadcasting to remove the internal operations of the commission from the direct control of parliament, and that is why the present C.B.C. was set up. It provided for a Board of Governors appointed by the government which would have control of the internal management, subject to examination before a committee of parliament, so that the governors themselves and the management of the commission would be able to appear before a committee and answer questions on the internal management that the minister responsible for the Broadcasting Commission could hardly place himself in a position to answer.

The result was that we set up a corporation that was intended to be self-supporting and has been self-supporting. The fees were enlarged as the activities of the corporation were enlarged. There has been a constant addition to the number of radios in use, so that today the C.B.C. is in a sound financial position. It has borrowed some money from the government which it is well able to repay and which it has repaid to a very considerable extent; and it is, I think, a corporation that the people of Canada who support it can look to with pride.

A shortwave transmitter really comes into another field of activity. It is true in England the British Broadcasting Corporation bought the shortwave transmitter there at the expense of their listening public or, in other words, the expenses there are paid by the fees of the listeners in England. In the United States broadcasting is in private hands, and private companies do the broadcasting to the rest of the world as a commercial venture. Here in Canada it is quite obvious, I think, that the C.B.C. is not in a position to bear the expenses of this shortwave transmitter; that is, the capital cost and the operating costs, which are very considerable. I should imagine that the type of transmitter that we would want for Canada would cost perhaps \$1,000,000 of capital expenditure, and the operating cost would probably not be less than

\$500,000 per annum. That would, I think, necessarily have to be a vote of the government of Canada. That puts the C.B.C. back in parliament again. That vote would have to be applied for every year, and naturally on the vote it would be quite in order for any question about internal management of the C.B.C. to be asked. Personally, I think that is undesirable. I doubt if the corporation can function as well under that arrangement as it can under the present arrangement.

Another thing is that it more or less destroys the thought of a self-contained corporation financially sound. I think there would be some difficulty in the separating of the costs of the broadcasting; that is, the cost of the shortwave broadcasting from the other costs of the corporation.

Mr. COLDWELL: May I interject a question there, Mr. Howe?

Hon. Mr. HOWE: Yes.

Mr. COLDWELL: The B.B.C. pays for the shortwave operation out of its fees?

Hon. Mr. HOWE: Yes.

Mr. COLDWELL: Its licence fees and so on?

Hon. Mr. HOWE: Yes.

Mr. COLDWELL: The B.B.C. is subject to questioning in the House of Commons in Great Britain?

Hon. Mr. HOWE: No.

Mr. COLDWELL: I think it is.

Hon. Mr. HOWE: You remember Sir John Reith quoted that in the House of Commons. He always refused to answer.

Mr. COLDWELL: I think you will find that has been changed.

Hon. Mr. HOWE: Perhaps so. I would not be dogmatic on that because I have not followed radio matters for the last year or two.

Mr. CLAXTON: If it has been changed, has it not been changed due to the fact that the Board of Governors of the B.B.C. has not operated so independently during the war, owing to the war, as it did before?

Hon. Mr. HOWE: I should think that may be so.

Mr. CLAXTON: I think Mr. Howe is quite correct, in that up to the war at least, when I was very familiar with it, the B.B.C. was not subject to questions in the house on matters of internal management.

Hon. Mr. HOWE: No. I think there is a sound reason for that; and the reason, which seems sound to me, is that I do not think it is possible for the minister to answer questions intelligently.

Mr. COLDWELL: I cannot object to that.

Hon. Mr. HOWE: You may be quite right since the war, but I think I am right up to the time of the war. I think they did refuse to answer questions in the house on that. I think that is so up till the war; it may be different now.

Mr. COLDWELL: I think lately there has been a little change.

Hon. Mr. HOWE: The B.B.C. is part of the war program.

Mr. Ross: Is not the question of shortwave broadcasting, as a matter of fact, not so much a matter for the C.B.C. as it is a question of the policy of the government?

Hon. Mr. HOWE: Well, of course, people have the idea that this broadcasting station would advertise our wheat and we could issue propaganda there by voice and we would have a large listening audience. I do not think that is true. I think that the only way we would get a listening audience is by putting on the type of program that would compete with the type of program we have from other capitals such as London and New York, which have very fine musical programs and programs of real entertainment interest. Whether the C.B.C. is in a position to do that work or not at this moment, I would not be prepared to say. It has always seemed to me that we have stretched ourselves rather thinly in trying to give complete coverage to the Dominion of Canada and develop programs to suit the Canadian public. Whether we are ready to take on a world job or not, I do not know. Perhaps we are. But we have made a very considerable advance in the last six or seven years, certainly, from the time broadcasting was made a public charge. When I came in I think we had a coverage of about 40 per cent and we had equipment that was far from modern. To-day I think we have completely modern equipment and have almost 100 per cent coverage, which is quite an advance. I think the day will come when it is desirable to have broadcasting by shortwave. It may have come now. I would not express an opinion on that. I have not been close to the C.B.C. for some considerable time. But I do think that the whole policy should be looked at. The question is whether we can take our place in international programs and do a job that will make Canada outstanding among the other programs on shortwave. I think the propaganda value is somewhat exaggerated. The last I knew of the situation, there were very small proportions of the receiving sets outside of Great Britain and America that had shortwave listening fixtures. I know that when I was in South America I knew two people who had them and their radio was in good demand. People used to gather there to listen to shortwave programs; whereas every home there practically had the ordinary radio which received only on the medium wave.

Mr. Ross: It is not so much, as a matter of fact, only a matter of listening or setting your dial to shortwave. It is a matter of rebroadcasting, reciprocal arrangements and that sort of thing. As a matter of fact, I understand that with no shortwave station we are under a serious handicap in reciprocating this service. It is important to facilitate a larger measure of international program exchange.

Hon. Mr. HOWE: Of course, you should keep in mind that there are two things involved. The proposal that I received when I was in England was that we set up a station here, more or less a duplicate of the shortwave station in England, for propaganda purposes; the idea being that the station there might be bombed and that we would then become a second propaganda station. Well, propaganda is one thing, of course; and relaying programs for rebroadcasting is something else again.

Mr. COLDWELL: Did the British make a proposal to you?

Hon. Mr. HOWE: The B.B.C. did, but the government never backed it up. I had lunch there with Colonel Ogilvie and some of his directors, and they made a proposal to us. My statement was that we knew nothing about propaganda here, especially foreign language propaganda, and that we would have to have considerable help from the B.B.C.

Mr. COLDWELL: Was this an official proposal?

Hon. Mr. HOWE: No. It was just an informal luncheon; one of those luncheons that you know something about in England.

Mr. COLDWELL: Oh, yes.

Hon. Mr. HOWE: Very pleasant things, in which important problems are discussed. Sometimes there is a follow-up and sometimes there is not. There was to have been a follow-up through official channels on this; but there never was, as a matter of fact.

Mr. COLDWELL: There never was?

Hon. Mr. HOWE: No. That is my recollection.

Mr. COLDWELL: Did they suggest that they would help finance it?

Hon. Mr. HOWE: Yes, they did at the time. There again, there was no follow-up. As I remember it, they were to pay the expenses of the purely propaganda part; that is, to man and bear that expense; and I have a vague recollection that we were to divide the cost of the capital expenditure which I do not think is the important item, really.

Mr. COLDWELL: How long ago was this? Was it when you were over?

Hon. Mr. HOWE: In December, 1940.

Mrs. CASSELMAN: That is, it would be British rather than Canadian?

Hon. Mr. HOWE: No. It was to be a Canadian station, but there was to be certain foreign language propaganda work.

Mrs. CASSELMAN: I thought you said they were to man it, to a certain extent.

Hon. Mr. HOWE: Man the propaganda part, yes.

Mrs. CASSELMAN: That propaganda part would be British?

Hon. Mr. HOWE: Yes. We were to do the entertainment and they were to do the purely war propaganda.

Mr. COLDWELL: It was an alternative in case of destruction of their station over there?

Hon. Mr. HOWE: Yes; merely a standby.

Mr. Ross: They would also have the advantage of programs which we put on?

Hon. Mr. HOWE: That was the understanding.

Mr. Ross: Which after all maintain the listener audience.

Hon. Mr. HOWE: That was the understanding, that we would take care of entertainment—everything except the foreign language propaganda business. As I remember the proposal, we were to do the entertainment end and operate the station.

Mr. COLDWELL: Did they have in mind that such broadcasts coming from Canada, because of our diversified population here and so on, might be more advantageous than programs directed exclusively from Great Britain?

Hon. Mr. HOWE: I do not think that was discussed. It was purely as an alternative.

Mr. COLDWELL: I have always thought that, as we had such a large population from Europe here, there might be some advantage in that, and particularly with respect to our French population speaking to the people of South America, who have some points of likeness in culture and background and so on.

Hon. Mr. HOWE: Yes. I may say that the government has not a closed mind on this. It has been discussed by the government several times. It has just never been presented in such a way that it seemed to the government that it was the thing to do at the moment. I think it will certainly be considered again. And it is a thing that certainly we will do something on; whether this is the right time to do it or not, when everyone's staff is stretched to the limit, I cannot say at the moment. I certainly would not be influenced by the fact that you can buy a transmitter. That would be about the last reason for me. I think when we decide to do it that we will be able to buy a transmitter; there is no question about that.

Mr. COLDWELL: This has been considered for at least two years?

Hon. Mr. HOWE: There always have been transmitters just ready.

Mr. COLDWELL: We will leave the transmitter out. This has been considered for over two years?

Hon. Mr. HOWE: Yes, more than that, five years. Mr. Brockington made a very strong appeal.

Mr. COLDWELL: At least a couple of years since the war broke out.

Hon. Mr. HOWE: Always we have been rolling up a little better position in the C.B.C. I do not think you would suggest five years ago we should have done it. Perhaps to-day we are ready, I do not know. To-day we are in a war. I would say certainly it would be a grand post-war project.

Mr. COLDWELL: Don't you think it has more advantages during war time, the having of such a transmitter here, in case of certain eventualities happening to Great Britain?

Hon. Mr. HOWE: Well, maybe.

Mr. COLDWELL: I am not altogether persuaded that the time may not come when parts of Britain may be invaded.

Hon. Mr. HOWE: That may be.

Mr. COLDWELL: The first thing they would go after would be the radio.

Hon. Mr. HOWE: You and I are expressing personal opinions, but my thought is it is becoming more remote.

Mr. COLDWELL: That may be. I say there is the possibility; I think we should keep that in mind.

Hon. Mr. HOWE: Oh, yes.

Mr. Ross: There is only one thing I cannot get out of my mind and that is that all the committees that we have had on radio have recommended this thing. We have this report from the parliamentary committee of 1938:—

Your committee was impressed with the importance of the establishment, at an early date, of a high-power shortwave broadcasting station. Such a station, your committee believes, would be a great utility in interpreting and advertising Canada abroad and in facilitating an

exchange of programs between Canada and other broadcastings systems. Canada, your committee was informed, is the only major trading nation without such facilities. It is submitted this should be financed as a national project, operated and controlled by the corporation.

Then we have the report in the committee of 1939, which is along the same line of the report of 1938. I will read it, as it will only take a minute.

The committee of last year emphasized the importance of establishing, at as early a date as possible, a high-power shortwave broadcasting station, financed as a national undertaking, but operated and controlled by the corporation as an integral part of its system. Such a project would facilitate the exchange of programs with other countries, would serve to advertise and interpret Canada abroad, and supplement the domestic program service. Canada is the only leading trading nation without such facilities and so on.

The point I cannot get over, Mr. Howe, is this, what is the use of having a committee set up and hearing all this evidence? Do we get the proper evidence or don't we get the proper evidence? Now surely one of the two things is true.

Hon. Mr. HOWE: I presume you are getting both proper and improper evidence and it is the duty of the committee to weigh it.

Mr. Ross: I say this, if we do not get the proper evidence we should. These are the people interested in radio broadcasting in this country and the government of the country has absolutely ignored the recommendations that have been made by the committees all these years.

Hon. Mr. HOWE: They have not been ignored; I hardly think that is a fair statement.

Mr. Ross: Nothing has been done.

Hon. Mr. HOWE: Nothing has been done, true. The thing has been examined very closely. The ideas to-day are quite different from the ideas of 1938 as to what a modern broadcasting station is. If you look back you will find the suggestion was that an expenditure of \$250,000 was involved. To-day ideas have expanded and quite properly so because broadcasting has developed. The expenditure is a million to-day.

Mr. Ross: No, the cost of a high-power station to-day has gone down.

Hon. Mr. HOWE: I know it has gone down; but ideas of what is a high-power station have gone up.

Mr. Ross: An \$800,000 high-power 50,000 watt broadcasting station to-day would be equivalent to one that would perhaps cost \$2 millions some time ago on account of the technique which is involved to-day.

Hon. Mr. HOWE: We were first considering a very much smaller station as satisfactory, you see. If you look back to the first recommendation you will see the size of the appropriation was \$250,000.

Mr. Ross: Even to-day we can put up a station that would be as good probably as the one at Daventry for around \$800,000.

Hon. Mr. HOWE: Yes, I think so.

Mr. Ross: And the cost of operation.

Hon. Mr. HOWE: I think to-day we believe we could use something of that order for that amount.

Mr. Ross: Not only that but with the reciprocal relations of one kind and another between countries and so on I think it has been said it would cost us something like \$300,000 a year to operate. That is a very small amount when you consider the advantages that there are for Canada in having an outlet of that kind. I should like to have more reasons than we have had so far as to why it has not been done.

Hon. Mr. Howe: I have the history of the thing here, which was made up for me, and I will just give you the high lights of it. On October 26, 1937, Mr. Leonard Brockington, then chairman of the Board of Governors of the C.B.C., wrote the government that a broadcasting station could be provided at a cost of \$350,000 with an annual cost of operating same to be \$90,000 to \$138,000 without programs. Then, with regard to the 1938 parliamentary committee, I do not think that the government—I know it has not—ignored the thing. It has been considered many times. The last recommendation was \$800,000 with three direction antenna and an annual operating cost of \$400,000. The government has just never had the thing put up to it in an acceptable form.

Mr. Ross: I might say the way this committee is putting it up.

Hon. Mr. Howe: Well, I am probably responsible for putting it up to them for several years. However, I was never keen about it. I have put it up often. I drew a report to council once to go ahead with it, but it was not—

Mr. Coldwell: You did what?

Hon. Mr. Howe: I drew a report to council which was not passed. I was never a particular proponent or an advocate, as I saw two sides to the question.

Mr. Coldwell: That may be the reason we did not get it.

Hon. Mr. Howe: Maybe, yes, very likely. I saw there was a very great liability and the fact that here you have a station that reaches every corner of the world. Because of that the performance must be good, I think, or it will do Canada more harm than good. I saw advantages and I saw disadvantages. Whether our broadcasting is old enough and has experience enough and is able enough to do a good job now is something that the committee can perhaps decide. I have never been just sure that it was the thing to do.

Mr. Coldwell: The American stations with their keen competitive sense are taking a number of programs from the Canadian Broadcasting Corporation.

Hon. Mr. Howe: Yes. Do they take them for the shortwave?

Mr. Coldwell: I do not know.

Hon. Mr. Howe: Yes, they take the longwave. I think the Canadian broadcasts in Canada are on the average better than the American programs from the United States. I think we have a better average. Perhaps we have not the peaks; we certainly have not the dips they have.

Mr. Coldwell: Don't you think many of those programs would be suitable for shortwave?

Hon. Mr. Howe: I dare say you do hear very outstanding programs.

Mr. Coldwell: You have to have special programs, I agree with that.

Mr. Ross: You would have to have this station operating twenty-four hours a day.

Hon. Mr. HOWE: Yes.

Mr. ROSS: I do not think we would have to supplement it very much from what we are doing now. We are operating pretty well now.

Hon. Mr. HOWE: I am sure you would not want to put the programs you give to Canada on the shortwave to go to the outside world. There would have to be something distinctive about them.

Mr. ROSS: We have distinctive programs.

Mr. COLDWELL: I have a shortwave listening set and I listen quite a lot. I notice the British put out the same program two or three times a day to different parts of the world, over the Central American transmission, the African transmission, the North American transmission, and so—

Hon. Mr. HOWE: Yes.

Mr. COLDWELL: So that one program occupies a pretty large proportion of the day's broadcasting.

Mr. ROSS: You would also be able to put on this spot broadcasting.

Hon. Mr. HOWE: Yes.

Mr. ROSS: There is another thing I should like to mention. I have a note here to the effect that it would be a profitable investment; that the government attaches due importance to the national publicity in foreign lands. At the present time we are spending about \$300,000 a year for advertising in the United Kingdom alone.

Hon. Mr. HOWE: Yes, but one would hardly do away with the other. For instance, I do not think if you had a shortwave broadcasting set you would give up newspaper advertising, would you?

Mr. ROSS: You would not give it all up, but I do not mind telling you the Lux program, for instance, over the air far transcends any newspaper advertising.

Mr. COLDWELL: Not the soap operas.

Hon. Mr. HOWE: I do not think you want to put the soap operas around the world.

Mr. COLDWELL: No, they would wonder what kind of savages we have in North America.

Mr. ROSS: I was not thinking of that. I am thinking of those companies who think so much of radio broadcasting that they use it all the time. They spend millions and millions of dollars on it. I do not think you will reach the public in nearly the same way with newspaper advertising as you would with the radio broadcasting; and I think that is what this country can do.

Hon. Mr. HOWE: Well, you find me a man with no fixed opinions. I have just been bordering on the pros and cons of this thing for years.

Mr. COLDWELL: You mean to tell me you cannot make up your mind in five years?

Mr. ROSS: Have you ever had any real analysis of the thing made as to what the financial aspects of it would be in connection with the financial advantages Canada would get from it?

Hon. Mr. HOWE: It is entirely indirect; there are no direct financial advantages. With regard to the C.B.C. you can make a balance sheet. You can put out the programs and the return to the C.B.C. is so much. The return

from a shortwave broadcasting system is entirely intangible, and I have always been sure there is a debit side as well as a credit side to that—I do not know.

Mr. Ross: Take the case of a large corporation that is going to go into a radio broadcasting program or policy. You can say he certainly has his advertising advisers draw up some kind of a balance sheet of what the advantages and disadvantages are going to be and so on. I should like to ask you if you have ever done that?

Hon. Mr. HOWE: Never formally.

Mr. COLDWELL: I do not think you can establish a balance sheet as you can with the C.B.C. In the United States the national broadcasting systems have shortwave stations. Do they derive any revenue from them?

Hon. Mr. HOWE: I do not think they do directly; I think it is goodwill.

Mr. COLDWELL: Even a private corporation must feel goodwill advertising is worth while.

Hon. Mr. HOWE: Yes, I think so.

Mr. Ross: Would Canada, for instance, derive more than \$300,000 from it? Say it costs \$300,000 a year to operate this station and the interest on the invested money, would Canada derive \$300,000 worth of advantages from it?

Hon. Mr. HOWE: The estimate is \$400,000. I do not think anyone can answer that at all.

Mr. Ross: That is the crux of the whole situation.

Hon. Mr. HOWE: I do not think you could answer that. To answer that you have to proceed hopefully. It would depend on how well you operate. If you could furnish outstanding programs you probably would. But if your programs were poor it would probably do more harm than good. That is my opinion.

Mr. CLAXTON: Your hesitancy in acting so strongly really rests on the question whether we can put out suitable programs?

Hon. Mr. HOWE: Exactly. If I thought we could do a real bang-up job—

Mr. CLAXTON: You would feel the cost would be justified?

Hon. Mr. HOWE: Yes. If we could do as good a job as the private broadcasters or a little better the cost would certainly be justified.

Mr. CLAXTON: I suppose it is right to say every nation in the world almost without exception has a shortwave long-range high-power transmitting system.

Hon. Mr. HOWE: I do not think that is at all true.

Mr. CLAXTON: Is it not?

Hon. Mr. HOWE: No, not all the nations in the world. There are a great many, you know.

Mr. COLDWELL: Most of them have.

Hon. Mr. HOWE: Yes.

Mr. COLDWELL: The ones you might call the principal ones.

Hon. Mr. HOWE: The principal countries have, excluding China and Russia and countries like that, which are pretty potent. Certainly Britain and Germany, Italy and France have.

Mr. COLDWELL: And some South American countries.

Hon. Mr. HOWE: Yes, I dare say they have, not very many, though. I believe I have a list of them here.

Hon. Mr. THORSON: There are forty.

Mr. COLDWELL: May we have that list?

Hon. Mr. HOWE: We have not a list of the shortwave stations.

Hon. Mr. THORSON: There are about forty.

Hon. Mr. HOWE: There may be forty countries with shortwave broadcasting stations.

Hon. Mr. THORSON: Forty countries.

Mr. COLDWELL: Australia with a much smaller population than ours has a 25,000 transmitter.

Hon. Mr. HOWE: If you took the size of the station we contemplated that would cut your list down very greatly. A lot of these are very small stations. We are talking about covering the world.

Mr. COLDWELL: You would have to have 50,000.

Hon. Mr. HOWE: I think we should do the job well if we do it at all, cover everything.

Mr. COLDWELL: I hope we have convinced Mr. Howe that a shortwave transmitter would be beneficial to this country and that he would now make up his mind.

Hon. Mr. HOWE: I thought perhaps I had convinced the majority of the committee they really did not want this done.

Mr. Ross: No; the only thing is this, before Mr. Howe goes, he has not yet said why we should not have one.

Hon. Mr. HOWE: The only thing is this. As I say, we are very busy in this country at the moment. The C.B.C. staff, I presume, are suffering like anyone else in losing staff. Is this the time to take out a new project that is not fully closely associated with the war.

Mr. COLDWELL: Don't you think it is? I think it is. It is a matter of opinion, I know.

Hon. Mr. HOWE: Yes. I think it would depend on how well it would help in the war effort and whether we have the time to do it. If not it is a post-war project which could be taken up after the war.

Mr. CLAXTON: Even on that basis don't you think the most important part of the post-war period will be the period immediately after the war when the world will possibly be in a state of flux. Won't it be important then that the views of a nation and its true character be properly represented to the rest of the world?

Hon. Mr. HOWE: Well, that is a thought.

Mr. COLDWELL: I think, too, you must remember what the Prime Minister said, if we do not begin now to prepare for the post-war period—

Hon. Mr. HOWE: I would rather like to know a little more about who is going to build the post-war world.

Mr. COLDWELL: We feel pretty certain.

Hon. Mr. HOWE: Thank you very much, gentlemen.

The CHAIRMAN: Thank you, Mr. Howe.

We will now call on Mr. Thorson to give us an expression of opinion from his point of view with reference to the matter under discussion.

Mr. COLDWELL: First of all, has Mr. Thorson made up his mind?

The CHAIRMAN: Well, Mr. Thorson will indicate that as he goes along.

Hon. Mr. THORSON: I do not think indecision is one of my characteristics.

Mr. COLDWELL: I am glad to hear that, Mr. Thorson.

Hon. Mr. THORSON: My task has been made somewhat easier by my colleague. He has given you some of the background of this problem and has indicated that the matter has been receiving consideration from the government for a very considerable length of time and that the matter is still under consideration. Mr. Ross made reference to the recommendation made by the 1938 House of Commons Standing Committee on Radio Broadcasting. I think members will probably be agreed that if we had acted on the strength of that recommendation in 1938 we would have had broadcasting facilities, it is true, but of a type that would certainly not be satisfactory at the present time.

Mr. COLDWELL: In that regard could you not say this as well, if we get a set established in 1942 it would not be satisfactory in 1950?

Hon. Mr. THORSON: Please let me develop this and then I shall be happy to answer any questions. I have nothing but notes before me. That was the experience of Australia. Recent experience in Australia has shown that the equipment which they have is not entirely satisfactory. However, that is by the way. I shall come back to that in a moment. It is also, I think, perfectly clear that the C.B.C. cannot, out of its present revenue, either construct a shortwave broadcasting system or operate it. That, I think, is abundantly clear. If we had increased our fees to a greater extent when we increased them by only 50 cents the C.B.C. would have been in a much better financial position. My recollection is when we took that step that was a step that was of such terrific importance that it was going to shake the very existence of the country. However, we did not increase our fees beyond the present amount. It therefore follows that if a shortwave broadcasting system is to be established it must be established as a national activity with capital funds provided out of the public treasury and the annual upkeep provided out of the national treasury. That will mean an appropriation by parliament of the capital cost and an annual appropriation by parliament for the operating expenses. I do not quite agree with my colleague that this would change the character of the C.B.C. The C.B.C. in respect of its present broadcasting to the people of Canada would continue in that field quite independent of parliament except in so far as the statute says otherwise. The attitude I have taken towards the C.B.C. is that the statute governs, and in so far as the statute makes the C.B.C. an independent corporation, so it shall be so far as I am concerned; and I shall not attempt to do anything, so far as the C.B.C. is concerned, that will affect that independent position. My jurisdiction as Minister of National War Services is found within the four corners of the statute and not otherwise. In so far as the C.B.C. would continue to operate broadcasting within Canada, that independence would continue. Any proposal for shortwave broadcasting of the kind that we have been discussing would have to be undertaken as a matter of national policy, with a national appropriation each year; and of

course that appropriation would make the subject of shortwave broadcasting a matter for annual consideration and questioning in the house. I see nothing against that myself; nothing at all. It is quite true that it might not be easy to separate the activities of the C.B.C. as a national broadcasting instrument inside Canada and those of the C.B.C. as an agent of the government in the matter of shortwave broadcasting. While it might not be possible to make an exact separation in those functions, I think a reasonably clear separation could be made. Whatever minister would be in charge of the appropriation for shortwave broadcasting could quite easily take the position, "I will not answer to the house for the internal operations of the C.B.C. in so far as broadcasting in Canada is concerned." In taking that attitude he would, in my opinion, be taking a perfectly proper attitude, the attitude that has always been taken. If the affairs of the C.B.C., in so far as broadcasting in Canada are concerned, are to be investigated, the proper forum of investigation is the forum that is now investigating the C.B.C. I personally have no objection whatever to an annual investigation of the C.B.C. I think there is much to be commended in such an annual investigation, just as in practice we annually investigate the affairs of our transportation company.

I, therefore, with respect to my colleague, do not agree that the mere fact that we ask the Canadian Broadcasting Corporation to become the agent of the government to operate a shortwave broadcasting station, should change the fundamental character of the C.B.C. With respect, I do not agree with my colleague in that regard.

I think, with him, that it is essential that the Canadian Broadcasting Corporation, in so far as its broadcasting activities in Canada are concerned, should not be subjected to the daily questioning of its activities on the floor of the house. It is not a department of the government in the same sense as, say, my department or any other department.

Mr. COLDWELL: Will you permit a question there?

Hon. Mr. THORSON: Yes.

Mr. COLDWELL: Is it in any sense a department of the government?

Hon. Mr. THORSON: I do not think it is in any sense a department of the government. That is the attitude that I have always taken with regard to the C.B.C. and it is the attitude which I intend to continue to take.

Mr. COLDWELL: I think that is the proper attitude.

Hon. Mr. THORSON: On the other hand, it may well be, and I think it is, proper to regard the Canadian Broadcasting Corporation as a great national instrument.

Mr. COLDWELL: Surely.

Hon. Mr. THORSON: I think it is essential that we should have as clear a conception of the Canadian Broadcasting Corporation as possible. I have been somewhat amused at the views that have been taken by certain persons, including members of parliament, that one of my activities is to run the Canadian Broadcasting Corporation. Not at all. It is not one of my activities. I am the minister responsible to parliament for certain specific matters, but only the matters that are set out in the governing statute of the Canadian Broadcasting Corporation and not otherwise.

Mr. HANSON: It is in the same relation as the Canadian National Railways.

Hon. Mr. THORSON: Well, we went into that some time ago. The situation is not exactly analogous in every respect, but there are certain basic principles that are common to both relationships.

Mr. Ross: It does take this position, does it not, that it is like the Canadian National Railways and the railway commission combined?

Hon. Mr. THORSON: There are many differences that could be pointed out.

Mr. Ross: It is a dual position.

Hon. Mr. THORSON: There are differences that could be pointed out, but they do not alter the fundamental principles that I have been trying to enunciate. I want to point out in this connection an essential difference, as I see it, between the recommendation of the parliamentary committee in 1938 and the recommendation of the parliamentary committee in 1939. The establishment of a shortwave broadcasting station in Canada has been urged by the Canadian Broadcasting Corporation since 1937. No fault is to be attributed to the Canadian Broadcasting Corporation in respect of this matter of shortwave. The Canadian Broadcasting Corporation itself has urged, with a good deal of force, the desirability of a shortwave broadcasting station. In 1938 the House of Commons' standing committee on radio broadcasting said in its final report:—

Your committee was impressed with the importance of the establishment at an early date of a high power shortwave broadcasting station. Such a station, your committee believes, would be a great utility in interpreting and advertising Canada abroad and in facilitating an exchange of programs between Canada and other broadcasting systems. Canada, your committee was informed, is the only major trading nation without such facilities. It is submitted this should be financed as a national project, operated and controlled by the corporation.

With that recommendation, in so far as it says that it should be financed as a national project, I have no complaint. Nor have I any complaint with the suggestion that it should be operated by the corporation. But that it should be controlled by the corporation exclusively opens up certain questions. It may perhaps be a matter of definition as to what is meant by the term "controlled" in that sense. I will come back to that point again in a moment.

A similar committee which sat the following year, 1939, in its report said:

The committee of last year emphasized the importance of establishing, at as early a date as possible, a high power shortwave broadcasting station, financed as a national undertaking, but operated and controlled by the corporation as an integral part of its system. Such a project would facilitate the exchange of programs with other countries, would serve to advertise and interpret Canada abroad, and supplement the domestic program service. Canada is the only leading trading nation without such facilities. We desire to draw the attention of the government to the imminent possibility that further delay in proceeding with the undertaking may result in Canada losing altogether the shortwave channels registered in her name, and as a consequence being shut out of the field entirely.

It seems to me that there was a substantial difference between those two recommendations. The 1939 recommendation urged that the shortwave broadcasting station should be operated and controlled by the corporation—and these are the words I wish to stress—"as an integral part of its system." My view is that the C.B.C. will operate its national broadcasting in Canada as an independent corporation, but in respect to its operation of shortwave broadcasting system it will do so as an agent of the government, that it would have to be a governmental activity for which the government would be responsible every year to the house, because there would be an appropriation in the estimates every year and the minister responsible for that estimate would have to defend that estimate. The C.B.C., therefore, would be an agent of the government in respect of shortwave broadcasting. But I see no insuperable obstacle in such a course.

Mr. COLDWELL: I was going to ask if you think the two committees realized that they were making a very fine distinction.

Hon. Mr. THORSON: It is more than a fine distinction.

Mr. COLDWELL: Do you think that it is?

Hon. Mr. THORSON: Yes. I think that it is quite an important distinction. Every distinction that is based upon a fundamental principle is an important distinction.

Mr. Ross: It is the same as the government has to be responsible to parliament for its advertising.

Hon. Mr. THORSON: Well, any appropriation. The government is responsible to parliament for any appropriation that comes out of public funds.

Mr. CLAXTON: Would not discussion in parliament on that estimate only properly relate to the operation of the C.B.C. in respect to shortwave?

Hon. Mr. THORSON: It ought only to relate to that. The point I made a moment ago was that any minister who clearly appreciated the independent character of the C.B.C. would simply refuse to answer to parliament in respect of any activity other than the activities that were under consideration, namely, the activities of the shortwave broadcasting system.

The CHAIRMAN: What would happen if his vote was held up until he did answer?

Hon. Mr. THORSON: He would have to run his chance of that.

Mr. Ross: Mr. Chairman, I do not agree with the minister from this point of view.

Hon. Mr. THORSON: Well—

Mr. Ross: That it would be operated by the C.B.C. is perfectly true; but there is nothing in the world to prevent the government of Canada or the individual minister, whoever he might be, buying his time, you might say, by way of advertising.

Hon. Mr. THORSON: You could do that.

Mr. Ross: And the only knowledge we have in the house is questioning about what kind of advertising was done; that is all. It would be out of the hands of the C.B.C.

Hon. Mr. THORSON: You could do that.

Mr. Ross: The usefulness of it is there.

Hon. Mr. THORSON: You could do that. Just what the relationship should be between the government and its agent in the matter of shortwave broadcasting would be a matter of agreement between the parties; what form it would take would be a matter of agreement; and practice and experience would work it out as to what would be the most desirable one. I am just drawing that differentiation and bring it to the attention of the committee.

The proposals with regard to a shortwave broadcasting system have varied in extent and in value. Mr. Howe gave you the particulars of the recommendations made by Mr. Brockington. The project that was then under contemplation, as I recall it, involved an expenditure of \$350,000, with an annual expenditure, without programs, of \$90,000.

Mr. COLDWELL: That would be for the staff? That would be for the operating and technical staff, would it?

Hon. Mr. THORSON: That would be, I imagine, for what is called the annual operating and maintenance costs of a purely, shall I say, engineering nature.

Mr. COLDWELL: Yes.

Hon. Mr. THORSON: The proposals urged by the C.B.C. in the matter of shortwave were that the most satisfactory initial arrangement would be the establishment of two 50 kilowatt transmitters, with three-directional antennae. It was believed that these would provide for the broadcasting of two different programs simultaneously in the same or different directions, or one program on two separate frequencies in the same or different directions. The capital costs of this set-up of two 50-kilowatt transmitters, with three-directional antennae, were estimated at \$800,000. That would be inclusive of certain duties and taxes. The annual operating and maintenance costs of a purely engineering nature—power, telephone services, building maintenance, electrical maintenance and the like—\$150,000; program costs, \$250,000. My own opinion is that that estimate, so far as programs are concerned, is too low. I would be of the view that you could not operate a shortwave broadcasting system, consistent with the position of Canada, for less than at least \$500,000 a year.

Mr. Ross: On what do you base your conclusions?

Hon. Mr. THORSON: Oh, well, I mean the value of the system depends on the kind and type of program you put on.

Mr. Ross: Have you had an estimate made of it?

Hon. Mr. THORSON: I have given you the estimate of \$250,000.

Mr. COLDWELL: Who made the estimate?

Hon. Mr. THORSON: That was an estimate that was made by the C.B.C. officials.

Mr. COLDWELL: Would they not know more about it than you do as minister?

Hon. Mr. THORSON: Well, they will not disagree with my opinion.

Mr. COLDWELL: Will they not?

Mr. TRIPP: They have given evidence at the present sitting.

Hon. Mr. THORSON: They will not disagree with my opinion.

Mr. TRIPP: That it would be \$500,000?

Mr. COLDWELL: That is the total cost of operation. Mr. Thorson is now discussing the cost of programs alone.

Hon. Mr. THORSON: Oh, no. My \$500,000 would be inclusive of the engineering.

Mr. COLDWELL: I thought you said \$250,000 would be low for programs, and that you said that would be \$500,000.

Hon. Mr. THORSON: No. My opinion with regard to the \$500,000 annually would be inclusive of the engineering estimate of \$150,000.

Mr. COLDWELL: I was not clear on that.

Hon. Mr. THORSON: Of the correctness of which I have no doubt, and also inclusive of the annual program cost.

Mr. COLDWELL: That is different.

Hon. Mr. THORSON: When I expressed the opinion that the annual operating expenses would be at least \$500,000, I put that estimate also as being a very low estimate. I think the annual operating expenses will be very considerably more than \$500,000 annually—very considerably more.

Mr. COLDWELL: What factor brings you to that conclusion?

Hon. Mr. THORSON: The matter of the expense of putting on programs that will attract the attention and that will hold a listening audience abroad.

Mr. COLDWELL: You think the \$250,000 estimate for programs is too low.

Hon. Mr. THORSON: Oh, much too low.

Mr. COLDWELL: Yes.

Hon. Mr. THORSON: Much too low. That is my own opinion; and I do not believe that in the expression of that opinion, I am speaking contrary to the opinions of the C.B.C. people. You could perhaps put it this way. You might get by with \$250,000 annually for programs; but if we undertake this activity, let us not for a moment think that we can hold the annual operating cost down to this figure of \$500,000. In my opinion it will be very much more than that. That is an expression of opinion.

Mr. Ross: That is just your opinion?

Hon. Mr. THORSON: It is a very good opinion too, Mr. Ross, because it is backed by people who know what they are talking about. I am not giving it as my own exclusive opinion.

Mr. Ross: What is on the other side of the balance sheet as to how much good it would do the country?

Hon. Mr. THORSON: In this discussion I am going to proceed with my statement because I can see a good deal on the other side of the balance sheet, and I propose to indicate while we are on the subject what I can see on the other side of the balance sheet.

Mr. COLDWELL: Mr. Thorson, may I just ask this question: is your estimate in any way governed by the experience, we will say, of the British Broadcasting Corporation?

Hon. Mr. THORSON: Well, I am not—

Mr. COLDWELL: I wondered if you knew what their shortwave costs them.

Hon. Mr. THORSON: No. I do not think I would be competent to express an opinion.

Mr. COLDWELL: I just wondered if you had that.

Hon. Mr. THORSON: When I express my opinion I am giving that opinion really as a second-hand opinion.

Mr. COLDWELL: I understand that.

Hon. Mr. THORSON: Because to give that opinion, I really give the opinion of others.

Mr. COLDWELL: I just wondered if you had any information regarding the cost of the British shortwave broadcasting station.

The CHAIRMAN: Order, please. We are getting away entirely from the purpose for which the ministers were brought here this morning, which was for the committee to have any opportunity to impress upon them what they considered the urgency of the situation. If we have that as our objective, we can get along much quicker than we can with questions being interjected. Mr. Thorson was on the stand at first and I thought we went through the whole gamut of questioning at that time.

Hon. Mr. THORSON: Oh, no.

The CHAIRMAN: I am not going to interfere with anybody asking questions. I just merely want to bring to your attention what was the purpose of having the ministers here this morning.

Mr. COLDWELL: Mr. Chairman, what we are trying to do at the moment, I take it, is this. Mr. Thorson is trying to tell us what the costs will be. We are trying to elicit information as to what those costs are based on.

The CHAIRMAN: All right, proceed.

Hon. Mr. THORSON: A number of reasons have been urged in support of the early establishment of shortwave facilities. In view of the fact that the subject was dealt with this morning, and in view of the fact that there has been discussion as to the validity or otherwise of the reasons, I think it might be useful to members of the committee if I stated the various reasons that have

been urged, and I shall try to state those reasons fairly briefly; whether they are meritorious or not is another matter. I shall state the various reasons that have been urged so that they will all be in one place. One of the reasons is this.

(a) It has been pointed out that there is a total of some forty countries that are to-day transmitting shortwave programs to the world. Some of those transmission stations are very feeble stations. Canada, on the other hand, has no transmitting station of sufficient power to be heard over any wide area, even on this continent. It has been urged that this lack of shortwave facilities deprives Canada of an increasingly valuable medium of expression that is already in constant use by most of the countries of the world. In connection with this reason I might express my own and personal opinion—the opinion and hope that after this war is over, if there is a successful issue of it, for which we all devoutly pray, Canada will be the most important small nation in the world. That is an expression of hope on my part. Then, secondly, (b) it has been urged that there is an important technical reason why early action is essential in the matter of a shortwave broadcasting system. As I understand it, it was this reason that was prominently before the committee at its last session which unfortunately I was not able to attend. It is stated that national shortwave broadcasting is constantly on the increase and that the number of available frequencies is limited. It has been urged that there is a great danger that, if Canada does not claim one of the few assigned frequencies that are still free, it may be that no shortwave broadcasting facilities will be available. In this connection it has been also stated that by reason of the increasing scarcity of suitable frequencies, the practical alternatives are either an early favourable decision or the permanent exclusion of Canada from this field. I am not so sure that that is absolutely so, although personally I do not minimize the importance of this reason that has been urged. Then (c) it has been urged that the war serves to emphasize the part which a Canadian shortwave station might play at this critical time. Canada's special position in the Americas would lend weight to the effective projection abroad of the major issues at stake in the present war. It has been urged that such broadcasts would serve

(1) To establish close contact with the Canadian troops abroad;

(2) To supply the United Kingdom and other countries of the commonwealth and foreign countries with accurate and timely information about Canada and the national war effort;

(3) To provide the essential means of self defence and counter-attack against the continuous flow of German and Italian shortwave propaganda directed against Canada or transmitted to foreign countries in order to minimize the Canadian war effort.

This might be done positively by our own shortwave programs or negatively by jamming harmful incoming broadcasts from enemy or enemy-occupied countries;

(4) To provide a second line of defence if the enemy were able to put B.B.C. out of operation;

(5) To strengthen the resistance within the enemy occupied countries of Europe.

These reasons have been urged.

Then (d). This other reason has been urged: Canada is now receiving shortwave broadcasts as exchanges from various countries but is not contributing her own programs in return. There is every indication that the United Kingdom, the other dominions of the British commonwealth, and

the countries of Latin America are eager to receive programs from Canada. It is also urged that we cannot send such programs until the necessary facilities are established. That, I think, is a reason that has a good deal of importance.

Then (e). This other reason has been brought forward. It is important to bear in mind that the value of shortwave broadcasting cannot be measured solely in terms of the number of direct listeners. It is not exclusively my opinion. The matter of how many shortwave receiving sets exist, although it is true now in this connection that in a number of countries, as I understand it, Central American countries—Dr. Frigon will correct me if I am wrong—there are no receiving sets other than shortwave sets. Am I correct in that?

DR. FRIGON: They are mostly shortwave sets in Central America.

Hon. Mr. THORSON: In some countries by reason of climatic and electrical conditions the sets are mostly shortwave.

Mr. COLDWELL: Was not the sale of those shortwave sets in Central and South America prompted by Germany before the war broke out?

Hon. Mr. THORSON: That may be. I do not know—

Mr. COLDWELL: They were sold very cheaply.

Hon. Mr. THORSON: I do not say that this is a very important point that I am bringing forward. May I go on? In many parts of the world such as the equatorial zones and areas subject to meteorological disturbances people listen exclusively to direct shortwave. That perhaps is not of tremendous importance. It is a matter of more importance that there is the practice of rebroadcasting such programs by medium or longwave through the facilities of other countries with whom such exchanges may be arranged thus ensuring a wide listening audience for shortwave programs; so that it is not exclusively the matter of how many shortwave receiving sets are in existence.

Then (f): This has been urged. A powerful shortwave station would enable the Canadian Broadcasting Corporation to broadcast to French-speaking Canadians in the Maritimes and in Western Canada during the evening hours when the longwave network must of necessity be largely occupied with English language programs. Shortwave facilities would thus supplement present French language programs over the C.B.C. and would give the French-speaking licence holders in Western Canada that which from a national point of view they are—

Mr. COLDWELL: Would remove that criticism we are getting.

Hon. Mr. THORSON: If that were done French-speaking listeners in Western Canada would be able to listen to programs meant for them.

Mr. COLDWELL: That is right.

Hon. Mr. THORSON: And the annoyance that has been sometimes expressed by English-speaking listeners over French announcements would have no ground or basis. That is an important consideration.

Then the next ground is urged (g): The establishment of shortwave facilities is not solely a wartime measure, it perhaps is not as important a wartime measure as it is a peacetime measure. In peacetime the projection abroad of information, news, special national events, and other programs on the various phases of our political, economic and cultural life would undoubtedly operate and stimulate interest in trade with Canada. In the post-war competition for markets Canada will be gravely handicapped if any means are lacking for effective presentation of the resources, potentialities and products of this country.

The United States is not neglecting this new medium in its contacts with Latin America. Our own developing contacts with Brazil, Argentine, Chile and South America generally, would be greatly strengthened if they are supplemented by the exchange of news and views which shortwave transmission makes possible.

Now, that sets out very briefly, I think, the main reasons that have been put forward for the establishment of the shortwave broadcasting system. It has been urged that the Canadian Broadcasting Corporation is better equipped than any other body and is the logical one to administer, supervise and control a shortwave broadcasting station and associated facilities; but it has also been urged that such shortwave broadcasts would constitute a factor affecting Canada's relations with the other countries of the Commonwealth and with foreign countries and that therefore the matter must be a matter of national policy. It has been suggested in that regard that the work of the Canadian Broadcasting Corporation should be carried on in consultation with the Department of the Secretary of State for External Affairs.

I do not think I can say much more, but I do wish to assure the members of the committee that the whole subject has been under consideration, has received careful consideration, and is still receiving consideration.

The government has never rejected the proposal, but has not yet adopted the proposal.

Mr. HANSON: Judging by the statement you have given this morning, the government will not take any action or will not give favourable consideration to the establishment of a shortwave radio station in Canada at the present time.

Hon. Mr. THORSON: Oh, I won't say that.

Mr. HANSON: That is practically the statement you are making.

Hon. Mr. THORSON: No, I won't say that.

Mr. COLDWELL: Mr. Thorson is the responsible minister. Are you prepared to tell us, Mr. Thorson, whether you favour it or not?

Hon. Mr. THORSON: I have not any hesitation in expressing my own opinion, that I am strongly in favour of a shortwave broadcasting system. I have never indicated any view except that.

Mr. COLDWELL: I was only asking for your personal view.

Hon. Mr. THORSON: Yes.

Mr. COLDWELL: Because we have Mr. Howe's personal view.

Hon. Mr. THORSON: Yes, and his expressing of his opinion made it easier for me to express mine.

Mr. HANSON: I should like to ask Mr. Thorson one question as he is the minister in charge of radio. If he is in favour of it why is it then no action has been taken by the government?

Hon. Mr. THORSON: I have indicated that.

Mr. HANSON: Is it just simply the financial end of it?

Hon. Mr. THORSON: Oh, no, not at all; no, it is not exclusively the question of money. Mr. Howe indicated some of the views that unless we are sure and very sure that we can make it a great success it might be better not to undertake it at all. I think he also indicated that he had no closed mind on the subject and his mind was quite open on the subject. He indicated his own personal view that he had never been himself—

Mr. COLDWELL: A proponent of the idea.

Hon. Mr. THORSON: —a strong proponent of the idea.

Mr. COLDWELL: He went a little further on one occasion. He actually said an order in council had been drafted on one occasion and he as the minister, of course, was responsible for the drafting of it.

The CHAIRMAN: That would be more with the view of bringing it up for discussion.

Hon. Mr. THORSON: The standard practice is ordinarily there is no discussion on a project without a statement of—

Mr. COLDWELL: May I ask you this: Are you prepared to draft and present an order in council?

Hon. Mr. THORSON: I do not think I should be asked to indicate what discussion has taken place actually in council.

Mr. COLDWELL: I was not going to ask you that.

Hon. Mr. THORSON: But a submission with regard to the matter has been drafted by myself or my officers under me since I came in.

Mr. COLDWELL: The object in getting the ministers here this morning, Mr. Chairman, as I understand it—I was not here on Wednesday, but other members have told me—was to try to impress upon them the fact that this committee regarded the matter as one of urgent importance that should be dealt with as soon as possible.

Hon. Mr. THORSON: Oh, yes, and I say—

The CHAIRMAN: In view of the representations which were made to us by the witnesses and the recommendations of previous committees.

Hon. Mr. THORSON: These representations, as Mr. Howe pointed out, have been made for years.

The CHAIRMAN: You have been a little slow in acting, then.

Hon. Mr. THORSON: About the transmitters. They have been made for some time and the matter has been under consideration.

Mr. COLDWELL: Some of us would like to see it pressed to-day.

Hon. Mr. THORSON: It has been up for consideration repeatedly since I have been minister in charge and it is not closed, it is not at all.

The CHAIRMAN: Mr. Thorson, I should like to ask this question for my own information and maybe for the information of the committee. In view of the divided authority—we understand why it is—with two ministers in charge of radio, in the event of a proposal with reference to the recommendation of the establishment of a shortwave high-power system being put forward would that recommendation come from Mr. Howe or from yourself or from the two ministers jointly?

Hon. Mr. THORSON: I do not think it would make any difference.

The CHAIRMAN: It would not make any difference?

Hon. Mr. THORSON: It would not make any difference; it is not a matter of who makes the submission. There is an uncertain question there. Short-wave broadcasting does not come within—at least, that is the view that has been expressed by a number of persons—the ambit of the statute, and it is therefore, since it is a matter of national policy, government policy, there is no statutory statement as to which minister should make the submission.

Mr. COLDWELL: That depends on the definition of the words “within Canada.”

Hon. Mr. THORSON: Yes, that is true; it depends on that definition. If the shortwave system is not to be wholly integrated with the C.B.C., and that is determined perhaps by financial considerations apart from the interpretation of the statute, the matter then of divided ministerial control would not affect the matter one iota.

Mr. COLDWELL: I think you made a good case this morning for keeping the distinction between shortwave as a national instrument for external broadcasting and ordinary broadcasting. I think you made a good case there.

Hon. Mr. THORSON: That is vitally important. You could not have the Canadian Broadcasting Corporation exclusively determining the nature of the content of the shortwave program because it is a matter that touches international affairs.

Mr. COLDWELL: You changed my opinion regarding that this morning.

Hon. Mr. THORSON: It is a matter that touches international affairs, the relation of Canada and other countries.

Mr. Ross: There is only one thing about that. If it is nationally important for Canada it is not very difficult to have the statute altered and it should be altered if necessary, as far as I am concerned. I have listened to Mr. Thorson with great interest. He has given us reasons why we should have a shortwave system, but on the other hand he has not given any reasons why we should not have it established now.

Mr. COLDWELL: I think he has shown us this morning it is important to keep the shortwave broadcasting as something different, financed differently and operated differently from the C.B.C. itself. The C.B.C. could not carry the weight of the extra shortwave station and so it is a matter of government policy.

Hon. Mr. THORSON: May I perhaps close by assuring the committee that although I was unfortunately not able to be here the other day, I am thoroughly seized of the feeling of the committee that this matter is of great importance. May I also assure the members of the committee that the matter has been the subject of discussion even during the course of the committee's proceedings and that the feeling of the committee, shall I put it that way, will be brought to the attention of the government just as soon as possible.

Mr. Ross: Mr. Thorson, you suggest as a matter of fact that with regard to the question of frequency you were not sure whether it was necessary for us to reserve any frequency for ourselves by an establishment of the shortwave station. On the other hand, after the war is over we probably will have some such thing as another Berne convention and if we do not have our own frequency established we may be left out in the cold.

Hon. Mr. THORSON: I do not minimize the importance of that.

Mr. Ross: Everybody is stealing everybody else's frequency to-day if they can do it.

Hon. Mr. THORSON: I think that is a very important consideration.

Mr. Ross: My own reaction to Mr. Thorson's statement this morning is that it is more important for us than ever to send forward an interim report.

Mr. COLDWELL: I think we should make our views known as strongly as possible on this matter.

Hon. Mr. THORSON: From the point of view of bringing the matter to the attention of the government I can assure the committee that bringing in an interim report is not a necessary means of making the feeling of the committee known to the government.

Mr. COLDWELL: Would it help?

Hon. Mr. THORSON: Well, I do not wish to say to the committee what it should or should not do because the committee is its own master.

Mr. COLDWELL: I am just asking your opinion if it will be helpful.

Hon. Mr. THORSON: Frankly I do not think so. I do not think it is necessary.

Mr. COLDWELL: You think the representations are being pushed as strongly as possible now?

Hon. Mr. THORSON: I think so.

The CHAIRMAN: The objection to my mind would be it would not have the opportunity of being discussed.

Mr. COLDWELL: It would be just a gesture.

The CHAIRMAN: The purpose of it is to bring it to the attention of the government. The same objective is reached through the procedure which we have adopted here.

Hon. Mr. THORSON: If I may say so, perhaps reached more effectively than by sending in an interim report at the moment. I say that as a member of the committee and without—

Mr. Ross: May I ask another question? In the discussion that we have had this morning you have told the committee, and it has been said a good many times, that the cost of the upkeep of the station would probably run in the neighbourhood of \$500,000.

Hon. Mr. THORSON: At least.

Mr. Ross: The other thing I want to get in my mind is what is there on the other side of the balance sheet? For instance, we spend something like \$300,000 a year in Great Britain. How much do we spend in advertising in South America?

Hon. Mr. THORSON: Well, I must say that on that point I entirely agree with Mr. Howe. You could not by the mere institution of a shortwave system eliminate other kinds of advertising that the nation embarks upon. You could not put it exclusively on that ground.

Mr. Ross: You would reach people on the radio that you could not reach through other kinds of advertising. If you want to advertise in South America you have to prepare your advertising probably six months before it reaches the public. Things change so quickly it is difficult to keep up with them. If you have your shortwave radio it seems to me you can supplement a good deal of the advertising and it would be far more up-to-date than some of the advertising that we get now.

Hon. Mr. THORSON: I do not look upon shortwave broadcasting for Canada as a balance sheet affair at all, although those aspects of it are of some importance.

Mr. Ross: Take the advertising we do in the United States with regard to the tourist trade. Of course, we can reach the United States with our own ordinary radio broadcasting.

Hon. Mr. THORSON: I do not minimize the financial returns that might accrue from that form of advertising; but I do not put the case on the balance sheet basis, I should say, not exclusively.

Mr. Ross: We must be guided by Mr. Thorson in his views in connection with bringing in an interim report. If the chairman will recollect his words at the last meeting he will remember that he said that he would not be prepared as a matter of fact under these circumstances without hearing the ministers to back up an interim report made by this committee to the House of Commons; but I still think after five years of this thing and all the evidence we have had in connection with shortwave that it would be an excellent idea for this committee to bring in an interim report to bring it to the attention of the government.

The CHAIRMAN: You will remember, Mr. Ross, that the motion was put and was defeated, and my remarks can be found by referring to the minutes of evidence of our last meeting. After I made those remarks the motion was put before the committee and was defeated. Personally I am of the opinion that we have reached exactly the objective that we wished to obtain by having the ministers here and having them explain their position. We have the assurance of both ministers that the matter has not been overlooked and that it will be brought to the attention of their cabinet colleagues. Can you suggest to me any great good that a report would do at this time?

Mr. Ross: There is only one thing further that I have to say. The urgency is there just as it was before. As Dr. Frigon pointed out, we may be able to get this machine or this transmitter to-day or to-morrow, but we cannot count on anything; you cannot with certainty count on being able to get it in the next two or three weeks. That is the urgency that I see is still there. Nothing which has taken place this morning remedies that necessity and urgency, to my mind.

Mr. COLDWELL: I think we have impressed upon the ministers the necessity of pressing this matter at once. I think they understand that. I should not like to see a motion defeated here which might be misconstrued.

Mr. Ross: I agree with Mr. Coldwell as far as that goes.

The CHAIRMAN: At all events, the matter was put in the form of a motion at the last meeting and it was defeated. Unless there is a motion before the committee, and a different one from the one on which a decision has already been made, it is not in order.

Mr. COLDWELL: I think that the ministers understand that we think this matter is urgent.

Hon. Mr. THORSON: Yes. We thoroughly understand that.

Mr. Ross: I agree with you, Mr. Coldwell.

Mr. CLAXTON: With respect to what was just said, I agree that the matter is urgent. I think if we consider this for the next day or two, it might be desirable to put some other record or some other demonstration of opinion on the record of this committee, so as to show the state of feeling of the committee; whether it is in the form of a report or not remains to be seen. I think we should think over for a day or two what the ministers have said, and our own line of attack. Then perhaps the matter might come up again when we might have a fuller attendance of members present.

Hon. Mr. THORSON: Might I say by way of general apology to the committee that I was hoping that I would be able to attend most, if not all, of the sessions of the committee, but it has been quite impossible for me to do so.

Mr. Ross: Before we finish, I should like to ask Mr. Thorson another question. Has the Minister of Trade and Commerce ever expressed any desire for the facilities of a shortwave station? I think he might come here for half an hour or so some morning and tell us about it. I was wondering if Mr. Thorson would tell us whether he has ever expressed any opinion.

Hon. Mr. THORSON: That, of course, as Mr. Ross knows, is a question that he ought not to put to me.

Mr. Ross: Well, I can perhaps ask the Minister of Trade and Commerce.

Mr. TRIPP: How would it be if we poll the government?

The CHAIRMAN: We are not canvassing the members of the government as to their opinions on this matter. We are attempting to conduct an investigation into radio broadcasting, and necessarily those who are directly connected with it, as far as government representation goes, are the ones to summon as witnesses.

Mr. COLDWELL: Do you not think, Mr. Chairman, that perhaps Mr. Thorson has misunderstood Mr. Ross's question? I think he means has the Minister of Trade and Commerce any idea that this shortwave broadcasting facility would be of use to the Department of Trade and Commerce.

The CHAIRMAN: How would he know?

Mr. Ross: That is what I mean.

Hon. Mr. THORSON: I would not express an opinion even if I knew that.

Mr. Ross: We had better ask the Minister of Trade and Commerce to come here. After all, we are investigating this matter.

Hon. Mr. THORSON: If you ask the Minister of Trade and Commerce, why not ask all the other ministers? Does Mr. Ross think that he is going to conduct a poll of the ministers of the cabinet on this subject?

Mr. Ross: Mr. Chairman, I think that is the wrong attitude for the minister to take. I think we have a perfect right in this committee, as a matter of fact, to ask that question.

Hon. Mr. THORSON: And the proper answer would be, "That is my opinion."

The CHAIRMAN: Your question, Mr. Ross, is to the effect—

Mr. Ross: Just a moment, Mr. Chairman; I have been trying to get information as to what is on the other side of the balance sheet and how much good this shortwave broadcasting station is going to do to Canada. That is all. That question, as far as the Minister of Trade and Commerce is concerned, is one in which he is vitally interested.

The CHAIRMAN: That should be asked of the Minister of Trade and Commerce, not of the Minister of National War Services.

Hon. Mr. THORSON: There are two ministers who have statutory responsibility in the matter of radio, and it is quite proper that they should be brought before the committee.

Mr. CLAXTON: Mr. Chairman, if the minister is through with the short-wave question, and if the committee is, I have one question to ask arising out of his statement, with which I agree in principle, that the corporation is in every sense not a department of the government. I wondered if the minister was familiar with the legal decision on the question of taxability, or liability to taxation, and liability to action in the ordinary courts, and the opinion of the Department of Justice with regard to the labour question.

Hon. Mr. THORSON: Well, I am not familiar with all the opinions which Mr. Claxton has referred to. But I recall the opinion of the Department of Justice relating to the corporation being an emanation of the crown. I have not that opinion before me and would not wish to be too dogmatic in dealing with it, but my recollection—and I speak subject to correction—is that the opinion of the Department of Justice was to the effect that the corporation could not enter into an agreement with a trade union. Am I correct in that? I have not that before me.

Mr. CLAXTON: That opinion has been put on the record.

The CHAIRMAN: It is on the record.

Mr. CLAXTON: I wonder if there was any question in your mind as to whether the position of the corporation, which you have stated, has been made sufficiently clear; or is there any desirability of there being more legislation to clarify that position? Perhaps you have not looked into it enough to answer.

Hon. Mr. THORSON: No, I have not, Mr. Claxton. It might be desirable to look into it.

Mr. CLAXTON: I just have some faint recollection of some one saying it has been left in two or three positions, and I wondered who should look into that question, because this might be the proper time to suggest a clarification.

Mr. COLDWELL: The opinion of the Department of Justice given on April 17, 1941, was:—

Your corporation is, in many respects, in the position of a department of the government and I would not think that the Board of Governors or the general manager would have the authority to enter

into such an agreement which would restrict the authority of the corporation to act as freely as the government itself in all matters relating to its employees."

That is one of the reasons I asked the direct question this morning.

Hon. Mr. THORSON: My position is that the statute is the governing document.

Mr. COLDWELL: Yes.

Hon. Mr. THORSON: It is a corporation. It has only the powers given to it by the statute.

Mr. COLDWELL: If this opinion is right in this regard, and if it is in some respects a department of government, members of parliament would have the right to investigate into the activities of the corporation from day to day in the house by question, if they wished.

Hon. Mr. THORSON: Yes. But that is just another way of putting the proposition that I put.

Mr. COLDWELL: That is right.

Hon. Mr. THORSON: That the corporation is subject to parliamentary review in accordance with the provisions of the statute and not otherwise. It is just another way of putting the same thing. In so far as it is subject to parliamentary review in accordance with the provisions of the statute, to that extent it is like a department; but apart from the statutory provisions, it is an independent corporation.

Mr. CLAXTON: I think, Mr. Chairman, there may be some point there which perhaps we should clarify or get some information on later.

Hon. Mr. THORSON: There may be need for some clarification.

Mr. CLAXTON: I wish either the minister or the officers of the corporation would have that in mind, so that at some later date they could come prepared to discuss it. I think it might be useful.

Hon. Mr. THORSON: It might be well.

Mr. CLAXTON: I am completely in accord with the minister's views that it should be not a department of government. I hope that that is actually the legal case in all respects, but there may be qualifications which should be removed.

Hon. Mr. THORSON: I have indicated that there are qualifications.

Mr. COLDWELL: Yes. But the great difference between the two, of course, is that in the one instance it is said to be a department of government or in some respects like that.

Hon. Mr. THORSON: Oh, no.

Mr. COLDWELL: While your corporation is in many respects in the position of a department of the government, yet when you come to ask questions on the floor of the house you are told it is an entirely autonomous corporation. Mr. Claxton is right. I think that position ought to be clarified.

Hon. Mr. THORSON: Well, there is a real fundamental difference. For instance, although it is an independent corporation, it cannot spend its own money under certain circumstances, except with the approval of His Excellency in Council. So that it differs from some corporations in some particulars.

Mr. COLDWELL: I think there should be clarification on this point.

Hon. Mr. THORSON: But the basic principle is there.

The CHAIRMAN: Are we through for the day?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: When will it suit the convenience of the committee to meet again? I suggest Tuesday, the 16th, at 10.30 a.m.

Mr. RENNIE: When will we have the printed evidence of this morning?

The CHAIRMAN: You will have it on Monday; and the evidence of the other two meetings is being distributed today.

Mr. COLDWELL: You had a copy there?

The CHAIRMAN: Yes.

Mr. COLDWELL: We have not got it.

The CHAIRMAN: It is an advance copy, but it will be distributed today. What is your wish as to the witnesses? Shall we continue with Mr. Murray?

Some Hon. MEMBERS: Yes.

Mr. Ross: I think we might, during the course of our meetings here, have Mr. Nathanson called. He is vice-chairman of the board and a very prominent man. I think we might have him at some future date.

The CHAIRMAN: That is all right. What we are trying to avoid is having a useless waste of people's time. If we could proceed and know when we would have Mr. Nathanson, and when he gets here proceed with him rather than having him sit around for two or three days, it would be very agreeable I know, to him, or to whoever would be called.

Mr. Ross: I think that is a good idea.

Mr. COLDWELL: Mr. Nathanson is chairman of the finance committee. I agree with Mr. Ross that we should have him.

The CHAIRMAN: We will have him at a future time. But we will proceed with Mr. Murray as expeditiously as possible next week. We want to try to make hay.

The committee adjourned at 12.45 p.m. to meet again on Tuesday, June 16, at 10.30 a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

TUESDAY, JUNE 16, 1942
WEDNESDAY, JUNE 17, 1942

WITNESSES:

Major Gladstone Murray, General Manager of the C.B.C.
Mr. R. B. Farrell

OTTAWA
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1942

MINUTES OF PROCEEDINGS

TUESDAY, June 16, 1942.

The Special Committee on Radio Broadcasting met at 10.30 a.m. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Douglas (*Queens*), Graydon, Hanson (*Skeena*), Homuth, Isnor, McCann, Rennie, Ross (*St. Paul*), Telford, and Tripp—13.

In attendance:

From the C.B.C.: Messrs. Manson, Bushnell, Brodie, Findlay, Radford, Miss Belcourt and Mr. E. A. Weir, Commercial Manager.

From the Department of Transport: Messrs. Rush, Caton and Bain.

The Chairman read a communication from the Controller of Radio, dated June 16, 1942, forwarding, as requested at the previous meeting, lists of Short-wave Broadcasting Stations in the World.

Ordered,—That the above-mentioned letter and enclosed lists be printed. (*See Appendix A to the day's evidence*).

Major Murray was recalled and his examination was continued.

Supplementing his evidence, he referred again to the C.B.C. commentators and to the news programs.

A long discussion arose and Mr. Ross (*St. Paul*) filed a copy of J. B. Priestley's talk entitled "If I ran the B.B.C.". Copies of this pamphlet will be made available by the C.B.C. and later distributed to the members of the Committee.

Witness retired.

Reference having been made to Mr. R. B. Farrell, journalist and C.B.C. Commentator, and he being present, the Committee agreed to hear him.

Mr. Farrell therefore called and heard.

Witness retired.

Major Murray was recalled and proceeded further with his evidence. He tabled copies of Mr. George McCullagh's broadcasts entitled "Canada at War". These were immediately distributed.

It was understood that Major Murray would deal at the next meeting with the Thompson and Plaunt reports.

Witness retired.

Dr. Frigon was recalled and answered in part a question previously asked by Mr. Coldwell with respect to discounts and commissions paid by the C.B.C. Dr. Frigon will complete his reply at a subsequent sitting when the full report, which he is having prepared, is available.

Witness retired.

The Committee adjourned until to-morrow, Wednesday, June 17, at 10.30 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

WEDNESDAY, June 17, 1942.

The Special Committee on Radio Broadcasting met at 10.30 a.m. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Graydon, Hanson (*Skeena*), Isnor, McCann, Rennie, Ross (*St. Paul*), Telford, and Tripp—12.

In attendance:

From the C.B.C.: Dr. Frigon and other officials as appear in the minutes of proceedings of June 16.

From the Department of Transport: Messrs. Rush, Caton and Bain.

Major Murray was recalled and his examination resumed.

The witness supplemented the evidence he gave on Schools Broadcasts and proceeded with the Thompson and Plaunt reports, copies of which were tabled and distributed to the members of the Committee present.

Major Murray read a memorandum and began his comments on the recommendations contained in Thompson's Report, being questioned at some length on each recommendation.

The examination of the witness further related to the news programs and to the appointments of commentators by the C.B.C., particular reference being made to Mr. R. L. Lambert whose talks are entitled "Old Country Mail".

The witness was allowed to incorporate in his evidence the C.B.C. program of the Army Week which is to be held from June 28 to July 5 next.

Major Murray was requested to produce at the next meeting for the information of the Committee certain resolutions passed by the Board of Governors and the Finance Committee respecting the recommendations of the reports now under study.

Witness retired.

The Committee will resume Major Murray's examination at its next sitting.

The Committee adjourned until Thursday, June 18, at 11.00 a.m., in room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 429, June 16, 1942.

The Select Committee on Radio Broadcasting met this day at 10.30 a.m. The chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please; Mrs. Casselman and gentlemen, we have a quorum and we shall proceed with the business of the meeting. I have a communication here from Mr. Rush, Controller of Radio. I shall read it. (*See Appendix A to this day's evidence.*)

It is pointed out that the countries of the British Commonwealth operating shortwave broadcasting stations are divided into low power, medium power and high power, and the only one—

Mr. Ross: What is that, Mr. Chairman? Would you speak a little louder?

The CHAIRMAN: Yes. As to the countries of the British Commonwealth operating shortwave broadcasting stations the list has been divided into low power—that is up to 5 KW—medium power, which is from 5 to 24 KW, and high power, 25 KW and over. In the list, there are 23 low-power stations, 11 medium-power stations and only 1 high-power station, and that high-power station is in Great Britain. The list comprises Australia, British Guinea, British India, British West Indies, Burma, Canada, Great Britain, Hong Kong, Kenya, Malaya and South Africa.

Mr. Ross: What power station is Australia?

The CHAIRMAN: In Australia they have 3 low-power stations up to 5 KW and 2-5 to 24 KW stations. Canada has 8 low-power stations up to 5 KW and 1-5 to 24 KW station, so that we have 9 stations in Canada of the shortwave type to the 5 that they have in Australia.

Mr. COLDWELL: But none of them could really replace Daventry if Daventry were lost or otherwise destroyed?

The CHAIRMAN: No.

Mr. COLDWELL: We have not one in the Commonwealth.

The CHAIRMAN: No. Then there is a list of countries operating shortwave broadcasting stations, Empire countries excluded. There is a total of 333 stations, and they have 30 high power stations. However, I am just pointing out to the committee in the event of them wanting to further discuss this matter this morning that the only high-power station in the British Commonwealth is the one in Great Britain. If it is agreeable to the committee we will have this list published as an appendix to to-day's report.

Mr. Ross: Mr. Chairman, I would like to ask two or three questions along this line.

The CHAIRMAN: Excuse me, Mr. Ross; we will continue with that in a moment. Mr. Murray is the witness and he wants to make a statement with reference to several matters to clear them up and then if it is the will of the committee to revert—

Mr. Ross: Mr. Chairman, you have put that subject on record and I would like to ask a question on it.

The CHAIRMAN: All right, Mr. Ross.

Mr. Ross: We talk about high-power stations these days. It is a very technical question, as a matter of fact, as far as high power stations are concerned. It depends to a great extent, as I will ask Dr. Frigon, doesn't it, Dr. Frigon—

if you take a 24 KW station, as a matter of fact, with the installation of antenna of one kind and another you can spend your money either on the transmitter or you can spend your money on the antenna, the directional antenna; am I not right?

Dr. FRIGON: Yes.

Mr. Ross: Now then, that does not mean anything to me, but on the other hand it does mean this that in the old days, as a matter of fact, when Daventry was first put up you had to have four 50,000 watt stations. Is that what it is at Daventry?

Dr. FRIGON: At present?

Mr. Ross: Yes.

Dr. FRIGON: I do not think we know. They had at least four in 1939.

Mr. Ross: They may have more now. On the other hand with the technique, as a matter of fact, that we have at the present time we do not need 50,000 watts to go all over this world if we have proper antennae and so on. It is all done in a different way to-day from what it was before. I just wanted to get that on the record, Mr. Chairman, because what you have there does not show me very much.

The CHAIRMAN: Is that your opinion or authentic information?

Mr. Ross: As a matter of fact, we can get Australia without very much difficulty here and if they have only got 24 KW we can get on here just as well and therefore we might just as well have 24 KW and get all over the world too.

Mr. COLDWELL: I would like to get expert opinion on that.

The CHAIRMAN: We will revert to that.

Mr. COLDWELL: All right, but I think we should get expert opinion on that because my experience with Australia does not coincide.

The CHAIRMAN: The procedure of the meeting is to take the form of a statement from Mr. Murray to clear up a few points which he had already touched.

Mr. Ross: May I ask a question arising out of the last meeting, as a matter of fact, as to when we might expect to have Mr. Nathanson?

The CHAIRMAN: When are you prepared for him?

Mr. Ross: As a matter of fact, he is the vice president and chairman of the Finance Committee and he ought to be here now.

The CHAIRMAN: Well, I think it would expedite the business greatly if we would get along with Mr. Murray and Dr. Frigon and get through with them and then we can go on with Mr. Nathanson.

Mr. Ross: Mr. Nathanson, as a matter of fact, is supposed to be the manager of the corporation at the present moment. He certainly is the chairman of the Finance Committee, and as they are functioning he is supposed to be the manager from everything we have got here, and it seems to me rather extraordinary that the manager, the man who is responsible for everything, is not here listening to the deliberations of the committee.

The CHAIRMAN: Personally, Mr. Ross, I think it is too bad to put a statement like that on the record that Mr. Nathanson is the manager. He is not at all the manager. When the time comes and he appears before the committee and gives his evidence he will state definitely what his position is and what his functions are and that will be the authentic record.

Mr. Ross: Mr. Chairman, the way I feel about it is this: we have the general manager of this corporation in Canada, Mr. Murray, as general manager; and we have an assistant general manager, and yet we have certain resolutions passed, and an order in council passed, and all that sort of thing, taking away

to a certain extent and just balling the whole thing up. Now, the point is this: this is a very important corporation as far as Canada is concerned, and it seems to me that we are investigating a corporation that is so important to Canada at the present time that surely, surely these people—as a matter of fact those who are supposed to be in charge of it and so on—should at least be here listening to the deliberations of this committee. It just comes down to the same thing all the way along.

Mr. COLDWELL: Well, Mr. Chairman, I think we should have Mr. Nathanson here.

The CHAIRMAN: Do you mean listening?

Mr. COLDWELL: No, no. I think we should call him and have him appear before this committee.

Mr. Ross: Are we not going to have him?

Mr. COLDWELL: I do not think we could ask Mr. Nathanson or Mr. Morin to be here indefinitely.

Mr. Ross: I don't agree with that, Mr. Coldwell, at all; we have orders passed by council, and by-laws of the corporation, and so on, which say that they have an executive committee. As a matter of fact, even Mr. Morin has told us that we have an executive committee and then someone says we haven't got an executive committee, and so on—some call it a finance committee—someone running this corporation at the present time, and so on; and yet none of them have taken sufficient interest in this investigation to be here one day.

Mr. COLDWELL: Don't you think, Mr. Ross, that we should call them as witnesses? I think probably it would be fair to them.

Mr. Ross: But, Mr. Coldwell, we want to find out—

The CHAIRMAN: Order, please; this is not an open argument across the table. If you want to address the chair, all right; but speak on something that is under consideration and before the meeting. Our business today is to proceed with Mr. Murray. Will you kindly proceed, Mr. Murray.

Major W. E. GLADSTONE MURRAY, General manager of the Canadian Broadcasting Corporation, recalled:

The WITNESS: Mr. Chairman, Mrs. Casselman, and gentlemen: I want to begin by filling in some of the gaps and providing especially some information that had been requested before. First of all with regard to war service: Sixty-four employees of the C.B.C. are now serving in the armed forces, the Army, the Navy and the Air Force. I deeply regret to report that two of this number, Mr. B. Foley and Mr. B. C. Brophy, both with the R.C.A.F., are missing following recent operations over enemy territory. On the other hand, Mr. W. E. S. Briggs, one of our producers—he was senior producer in our studios at Halifax and was formerly an announcer here at Ottawa. It was he who was the first to sight the ship on which Their Majesties were approaching Canada from the destroyer which went out to meet them. I would like to quote from the official Gazette citation which accorded him the Distinguished Service Cross:—

Acting Lieutenant-Commander WILLIAM EDWARD SLADE BRIGGS, R.C.N.R., H.M.C.S. Orillia.

Acting Lieutenant-Comander Briggs, while in command of H.M.C.S. Orillia, displayed great initiative and tenacity of purpose in oiling at sea from the torpedoed tanker Tachee, which tanker, as a result of Lieutenant-Commander Briggs' excellent seamanship and ingenuity was salvaged. This officer has rendered excellent and invaluable service with convoys generally during a long period of time.

Now, these employees on active service have all been granted leaves of absence and when they return their former, or equivalent or better, jobs will be made available for them; and in the interim annual increases which they normally would have been granted are being credited to them regularly, and they will have the benefit of that on their return to our service at the end of the war.

By Mr. Graydon:

Q. That is outside of your supervision?—A. Well, that is implementing a general regulation.

By Mr. Coldwell:

Q. May I ask this question there: You have lost a number of technical employees to the armed forces?—A. Yes.

Q. They have a lot of your corporation employees in the armed forces?—A. Yes.

Q. Are these men ever considered from the point of view of the corporation's necessity as well as that of the military forces?—A. They are constantly considered in that light.

Q. Was there any conference at that time with the Department of National War Services, between that department and yourselves, anything of that kind?—A. No formal conference as such, but there is always a reference to the Department of National War Services or some other authority, and an endeavour is made to assess in terms of national value, without disregarding (mark you) the wishes of the individual concerned. We try to reach a common sense conclusion that is agreeable in each case while protecting the service.

Q. How many men have you, not away on war service, on leave of absence from the corporation?—A. There are 64 now on active service.

Q. Are they doing work in the armed forces of the same type that they were doing before?—A. Not all; in fact, only a minority.

Q. I was going to ask this question: In your opinion, could they perform a more important service for the country if they had, some of them, remained in their present positions?—A. That is possible in a few cases; but one must not entirely disregard the wishes of the individual. I would be very reluctant to oppose any employee of the corporation who has absolutely set his heart on going to the armed forces.

Q. I agree with you there.—A. It is only natural.

Q. I just wondered to what extent attempts had been made to retain them in their positions. I know that in some instances during the last war we had men who had some technical training; I am thinking of one of the ablest telephone men in the country, and when the government wanted an able man in connection with telephone work they found him out at Vancouver doing guard duty; I was wondering if we had a similar situation now in connection with the C.B.C.?—A. I do not think there is any parallel example to that. Some of the best of the engineering staff have been seconded to the National Research Council on war work; it seemed to be more to the national advantage that they should be working with the National Research Council, directly.

Q. I am asking if you thought his job was more valuable to the country, what he was doing. You take some steps to try to put it before him and leave it to the individual to decide afterwards?—A. That has been done so far, and no serious problem has been presented. I anticipate that this matter will become much more difficult in the case of announcers and producers; but I should say that the method of persuasion is usually successful.

Mr. COLDWELL: I just wanted to ask that question.

The WITNESS: Now, the next two points are for information. They arose out of the evidence given at the last meeting of the committee and out of the questions which I was unable to answer during my evidence because I didn't have the facts properly assembled. The first is the status of broadcasting in the United Kingdom vis à vis the government and questions in parliament, and so on.

From 1922 until 1925, broadcasting in the United Kingdom was conducted under a licensed private company, the British Broadcasting Company. The licence was from the Postmaster General who had, under its terms, full authority to do what he liked about broadcasting. There grew up, however, a tradition of non-interference and an abstention, on the part of both government and parliament from dealing with matters of detail. There was an automatic opportunity of annual debate when the Post Office estimates were submitted.

In 1925, the corporation was set up under royal charter, which ratified the previous practice. Under successive administrations no change was made. The clerk at the desk in the House of Commons refused all questions of detail or on matters of programs. The Ullswater committee of 1936 renewed the charter for a further period of ten years without varying its conditions. The only grant from public funds until the war, was a sum of £22,500 handled by the B.B.C., for the encouragement of grand opera. This was done in the Labour administration of Mr. Ramsay MacDonald in 1930. With the financial crisis of 1931, the grant was not renewed. In the first year of the war normal financial arrangements continued, the B.B.C. being supported by the proceeds of licence revenue supplemented by the profits on publications. With the necessity of wartime expansion, particularly in monitoring, and in the provision of a multiplicity of foreign language services; also, with the dispersal of B.B.C. facilities and the necessity of full time employment of a corps of artists, the ordinary system of financing had to be replaced by direct government vote. For example, in the last financial year, the first sum estimated and voted was about £6,000,000. To this, there had to be added £2,000,000 by way of supplementary vote. On the occasion of the supplementary vote there was a lively debate in the commons on B.B.C. propaganda methods.

Nevertheless matters of internal administration were still kept out of parliamentary discussion. An example of this treatment is contained in the following question and answer as reported in Hansard for February 10, 1942:—

Professor Savory asked the Minister of Information whether he will state the names of the present Governors of the British Broadcasting Corporation; the date of the appointment of each; the salaries received by each; the salaries received by the two new directors general of broadcasting?

Mr. BRACKEN: The following are the names of the Governors of the B.B.C. and the dates of their respective appointments:—

Sir Allan Powell, C.B.E. (Chairman) appointed in 1939;

C. H. G. Millis, D.S.O., M.P., M.C., appointed in 1937;

Lady Violet Bonham-Carter;

Captain Sir Ian Fraser, C.B.E., M.P.;

J. S. Mallon, C.H., LL.D., J.P.;

A. H. Mann, C.H. LL.D.; and

The Hon. H. G. Nicolson, C.M.G., M.P., appointed in 1941.

The chairman receives a salary of £3,000 per annum and the other governors a salary of £1,000 each. The salaries received by the two new directors general of the B.B.C. are a matter of its internal administration.

In the 13 years during which I had responsibility as political point of contact with the B.B.C., there was only one case that I can recall—and I have made a thorough examination of the records—of direct intervention in the matter of program detail by the minister responsible. This occurred during the period of the general strike in 1926. In that period there were no newspapers or means of communication, except those improvised by the government, including the *British Gazette* edited by Mr. Churchill. The B.B.C. news service was the only means of reaching the public and I was responsible for that. In the state of emergency, the B.B.C. did not function normally. It came under the control of the chief civil commissioner, the Rt. Hon. Sir William Mitchell Thompson, afterwards Lord Selsdon who, in respect to broadcasting, acted through his deputy, the Rt. Hon. J. C. C. Davidson, now Lord Davidson. It was a coincidence that Sir William Mitchell Thompson happened to be also Postmaster General.

My job was to handle the news bulletins from an emergency office in the Admiralty. We had a service from news agencies for international and general news. Then there were government statements of various kinds, information about the distribution of food, emergency bus services and so on. The government statements had to be redrafted in terms suitable for broadcasting and also in a way as detached as possible from the spirit of acute controversy. No objection was taken to my suggestion of the inclusion of statements and news from Unity House, the strike headquarters. I was also authorized to end the main bulletins with brief interpretative comment, the purpose of which was to encourage a conciliatory attitude with a view to relieving the deadlock by creating an atmosphere favourable to the resumption of conference. It was believed—and later recognized—that this was a factor in bringing the parties together much sooner than most people had expected. Even in this period of stress and when a state of national emergency had been declared, I received only one specific rebuke and direction from the Chief Civil Commissioner. In the course of one of the editorial comments on the news, I added a note suggesting that working conditions in the mines should be improved, the particular point being the provision of baths by the mine owners. This was considered by the government, through the Chief Civil Commissioner, as an unwarranted intervention in the actual controversy. I was sharply rebuked on the telephone and told to discontinue the interpretative comment. In a few days the state of emergency ceased and the normal working of the B.B.C. was restored. This is the only instance that I can discover of direct intervention by a minister in a program matter and it took place during a period in which the normal operations of the B.B.C. were in suspense.

Mr. Ross: I remember it very well.

The WITNESS: Since the beginning of the war there have been changes. In the early stages, normal operation was altered to the extent that the powers of the board of governors were vested in two of its members; but in 1941, the full board was restored. At present the work of the B.B.C. is divided, the propaganda side coming under the direct supervision of the Minister of Information, and the entertainment side remaining under the board of governors.

By Mr. Coldwell:

Q. How was that done?—A. By order of the Postmaster General, who has full power under the charter.

Q. With the approval of the cabinet?—A. Yes.

By Mr. Graydon:

Q. And how many were there on the board at that time?—A. There were seven.

By Mr. Coldwell:

Q. What I am trying to get at is that was done by the government through the Postmaster General?—A. Yes.

Q. By order in council, do you know?—A. I could not tell you precisely, I know it was done, I do not quite know what the procedure was.

Q. But it was done by the government?—A. Yes.

Q. May I ask a further question here? I think this has a bearing on what happened at the outset of the war: you told us the other day that at the beginning of the war there was some suggestion that the functions of the board of governors be abrogated; discontinued, I think that is right?—A. Yes, in imitation of what was supposed to be happening in the B.B.C.

Q. Where did that suggestion come from?—A. I have searched the records and I can't find it.

Q. Did the minister send you a wire on September 4th asking you, or suggesting, that the board of governors be not called, following Mr. Brockington's request that a board meeting be called?—A. Really, I will have to look that up. I do not recall it at the moment. I searched the records and I do not remember a wire of that kind.

Q. But the board did not meet until October 16th?—A. Yes.

Q. Did the chairman of the board suggest to you on September 4th, or thereabouts, that a board meeting should be called?—A. I should have to verify that. I do not recall it now. I had been in constant touch with him.

Q. There would be a telegram on the file, from the minister I think, of September 4th.—A. I will have to look it up, Mr. Coldwell.

Then there is the Foundation and financing of the B.B.C. shortwave service.

The British Broadcasting Company co-operating with Marconi's Wireless Telegraph Company and the Radio Corporation of America, began preliminary shortwave experiments in 1922. It was not, however, until November, 1927, that an experimental shortwave service was instituted by the B.B.C. from Chelmsford, Essex, over station 5SW working in co-operation with a shortwave receiving centre at Keston in Kent. These experimental transmissions were limited to relays of some of the entertainment programs being provided for home listeners by station 2LO in London.

By 1930, sufficient progress had been made with the experiments to consider a permanent service for the Empire. The original plan was to seek a basis of co-operative finance with the dominions and the crown colonies. In fact the Colonial Conference of July, 1930, went on record as endorsing the proposal of the B.B.C., which was to undertake to provide a service on reimbursement only of the actual additional expenditure. The Imperial Treasury, however, did not look with favour on this idea even before the financial crisis of 1931. The Imperial Conference, also of 1930, considered the matter and it was part of my duties at that time to prepare a brief for Sir John Reith, the Director General of the B.B.C., who put the matter before the Imperial Conference. The note on the result of this reference reads as follows:

"Platonic approval was given".

In the spring of 1931 the detailed scheme for a co-operative Imperial shortwave system was circulated to the broadcasters of the dominions and through the Colonial Office to the governments of the colonies and dependencies. Nothing substantial resulted. The financial crisis of 1931 of course ruled out the possibility of Imperial funds being made available. The B.B.C., therefore, had to take stock of the situation afresh. In looking through my records, I

have come across a copy of the memorandum which I submitted on October 15, 1931, to the Director General and the Board of Governors of the B.B.C. As this was not confidential, there is no harm in reading it:—

Empire Broadcasts

“In present circumstances, one of three courses may be followed:—

- (a) to abandon the project entirely;
- (b) to attempt to put the project on a commercial basis with outside interests;
- (c) to assume the burden, at least for the time being.

The British listener's direct interest in the project is, of course, nil. There is, however, a paramount national interest. Everywhere shortwave stations are springing up and these put the viewpoints of their respective countries before shortwave listeners and relaying broadcasters all over the world, and it seems contrary to the interests of the listener as a citizen that Britain alone should be without a worldwide voice seeing that it is both the focal point of a worldwide empire and dependent upon worldwide exports and capital investments.

And there is another consideration. If interesting program matter is to reach Britain from abroad, it may only be possible by courtesy of the shortwave services of those countries, for which a like output from Britain seems the quid pro quo. The objection to the expenditure of licence revenue on such a project may be met, at least partly, by financing this service out of the profits of B.B.C. publications. This is my considered recommendation.” The recommendation was adopted.

The Empire broadcasting station at Daventry was opened without ceremony on December 19, 1932, and on Christmas day, there was the first Christmas message to the Empire from His Majesty, the King, then at Sandringham.

From that time onward, the B.B.C. steadily developed its shortwave system and received no government subvention. It would have been impossible, however, to finance this shortwave service out of licence revenue without serious curtailment of the home service. Therefore it was the accident of substantial profits on publications which saved the public treasury the extra burden, at least until the second year of the war. Separate figures for the cost of the B.B.C. shortwave service have never been given, but I happen to know from my own experience that, from the beginning, the cost of programs was never less than £150,000 a year. I am reminded that on one occasion when I asked for more details, I was told by Sir John Reith, that the perfect balance sheet for a business of that kind was one that had as its main characteristic unassailable honesty fortified by selective obscurity.

By Mr. Coldwell:

Q. Is that the procedure that is followed now with the C.B.C.?—A. Unfortunately, I have lost any technique I had of that kind.

A rough idea of the normal pre-war budget of the B.B.C. is about 4,250,000 pounds revenue, a quarter of a million to capital and a quarter million normal balance.

Prospective changes in the arrangements for C.B.C. News Service: The committee will recall various references to the C.B.C. news service both by the chairman of the board of governors and in greater detail by myself. Tribute was paid to the public spirited attitude of the news agencies; that is, the Canadian Press and the British United Press, in providing their news free. We, of course, are paying the cost of the ticker reception and the subsequent editing. The C.B.C. National News Service, under the conditions already described, has

now been operating since January 1, 1941. It was, of course, understood that patriotic considerations bulked in this arrangement and that even so it must be considered experimental. As things have turned out, news agencies in general face new difficulties and burdens as time goes on. Recently, the Canadian Press in the most cordial way have approached us with a view to changing the existing arrangement.

By Mr. Graydon:

Q. How recently?—A. Within the last month.

Q. And since this committee started to sit?—A. Just before that, I think; I do not know the exact date.

By Mr. Coldwell:

Q. Was a letter submitted?—A. It was by deputation. I received the deputation and the finance committee are meeting on Saturday in Montreal to hear them.

Q. Are they meeting as a finance committee?—A. As a finance committee.

Now, they have pointed out, (The Canadian Press) that in fairness to their member newspapers they think there should be a reasonable payment for the news provided. Incidentally, since the present arrangement was made, since January 1st of last year, the Canadian Press has begun to sell its news for broadcasting through a subsidiary company called Press News Limited. This is a change of policy. Then, again, the Canadian Press has to pay the Associated Press of the United States for the use of its news for broadcasting; therefore, it is already out of pocket to the extent that it pays the Associated Press for the news it gives to us free, and consequently, the cost to the Canadian Press has increased. It is on these grounds that discussions have been opened in the most cordial spirit.

Q. On the other hand, the C.B.C. performs some services for the newspapers in this way; you get a very brief résumé regarding any item, and the announcer says something like this, for further details see your local newspaper. It seems to me there is some reciprocal service rendered there that I do not think we should lose sight of.

Mr. GRAYDON: I think, as Mr. Coldwell said, they don't try to steal the thunder of the press.

Mr. COLDWELL: Oh no, I did not mean that.

Mr. GRAYDON: In that regard you are not in line with the evidence that was given by the chairman of the board of governors when he was on the stand. He was under the impression that the C.B.C. tried to get in ahead of the newspapers with the news that the newspaper organizations provided for the C.B.C.

Mr. COLDWELL: Mr. Graydon, to be fair to Mr. Morin, didn't he say that in a rather jocular manner?

Mr. ROSS: No.—As a matter of fact I think what he said was that they tried to beat them to the gun. There must be a reciprocal arrangement between the press and the C.B.C.

The WITNESS: That has always been my doctrine since 1923.

Mr. COLDWELL: I was thinking particularly of the suggestion that the papers possibly got a service out of it. I think that at the present time the corporation is giving the press some service, and that should not be lost sight of when the question of payment for press service is suggested.

Mr. ROSS: I know; but I think the press are rendering a service to the C.B.C. as well.

Mr. COLDWELL: I agree with you.

The CHAIRMAN: Of course, the Canadian Press are not newspaper publishers, and the newspaper publishers are paying for the Canadian Press services; the question is, just what they would expect the broadcasting corporation to pay.

Mr. COLDWELL: There is a point I overlooked there.

Mr. Ross: I think as a matter of fact we have a sort of a triangle in the thing; we have the press, we have also the C.B.C., and as well we have the private stations in this country which are providing a very valuable service, and so on. I think the whole three are more or less in competition with each other.

The WITNESS: Various proposals are now under active review and a committee of the Canadian Press will be meeting the finance committee of the board of governors on Saturday. Fortunately the Canadian Press does not propose to insist upon a sum equal to what it regards as a normal commercial assessment; that is a sum between \$120,000 and \$130,000 a year. There has already been indicated a disposition to reduce this figure substantially on a basis of some formula to be agreed, and I hope it will be discovered at the meeting on Saturday. Nevertheless the problem is one of unique difficulty. Whatever sum is agreed must come either from additional revenue or from some existing object of expenditure. What I am wishing to do now is merely to bring the story up-to-date. No doubt the result of the current negotiations will be available to report to the committee long before the end of its deliberations.

By Mr. Coldwell:

Q. In addition to the Canadian Press you have news commentators; how are the commentators selected?—A. By ourselves.

Q. Have you any committee which recognizes the suitability, or passes upon the suitability, of any commentator?—A. That was dealt with in my evidence under organization of programs. We select them through our program conference and our program planning committees.

Q. I note this in Mr. Donald Buchanan's letter which he submitted. He calls attention to the fact one of the commentators was regarded by the committee as being unsatisfactory; to be specific about it, Mr. R. B. Farrell.—A. Oh, yes, there are cases in which somebody must exercise judgment. I sometimes disagree with the recommendations of the committee, not often; and on such occasions, this one in particular, I acted on my own judgment.

Q. What are Mr. Farrell's qualifications for the position?—A. I think that was set out very clearly in my evidence to which I would like to refer. His experience has been very wide—that was a very carefully considered statement.

Mr. Ross: I would like to suggest that—

Mr. COLDWELL: Just let him give an answer, if you don't mind.

Mr. Ross: I beg your pardon.

The WITNESS: This is not a news commentary.

By Mr. Coldwell:

Q. What do you call that?—A. That is a morale talk.

Q. Have you any idea of the reaction of the listening public to that broadcast?—A. The correspondence is tremendous in volume, it has been as much as 3,000 letters a month.

Mr. COLDWELL: I know Mr. Farrell is here, but I don't think I would be doing my duty if I were not to say this: that I do not know of anybody in the areas in which I have contacted who does not turn off that broadcast on Sundays.

Mr. Ross: I don't agree with you there.

Mr. COLDWELL: No one can quite understand why this is the most publicized broadcast of the type.

The WITNESS: I can repeat what I said before:—

And then in Ottawa there is an apostle of solid common sense, of robust Canadianism, in the person of Mr. R. B. Farrell, who for years has given consolation and cheer to thousands. He has quite a remarkable list of followers throughout the Dominion as evidenced by the letters received.

Mr. Ross: Yes. I would like to ask this question. I often listen to Mr. Farrell, as a matter of fact; and I do not think you can always take the listening audience as a guide. That brings up this same point again; what do the surveys show? What do the surveys which are regularly carried out by people who specialize in that sort of thing show? I may say that personally I like very much listening to Mr. Farrell, but there are a great many people who just tell me they turn their radios off. I do not want to criticize him, or anything like that; I would just like to know what the surveys show.

The WITNESS: I will have that looked up. I would make this observation; that it would be a bad day for broadcasting if we became standardized in the matter of presentation. Now, we want variety; and because there is some difference of opinion about speakers, that does not mean that they do not have a following. I have had evidence myself, from my own observation and from correspondence, that this speaker has a substantial following, and particularly in wartime he is doing a very good job. I will agree that it is not so much centred in central Canada as it is in the Maritimes, in British Columbia and in the prairies.

Mr. HANSON: Personally, I enjoy Mr. Farrell very much.

Mr. COLDWELL: I am referring to this because I have heard a number of people speaking quite definitely about it. I do not think I would be doing my duty if I did not raise it. With respect to the prairies, I have gone into a good many prairie homes when I have been in the West and I have spent many week ends with various people in the West, and I must say that it was almost universally the fact that that particular broadcast was turned off, and I was queried as to why it was publicized, and why it was given to that extent. And I would make this observation, that if you were to take a poll of the people in this building you would find it would give expression to about the same thing as I have just said. What I am asking is, is there a program committee which reviews these programs, and what recommendations have you had in regard to this particular broadcast?

The WITNESS: Well, they have been adverse to it.

By Mr. Coldwell:

Q. They have been adverse?—A. Yes. In that case I believe they were wrong. There have been other things they have been adverse to. They were adverse to the British Ballad Opera Season. Somebody has to make a decision. There are occasions when one has to use one's own judgment and in this particular case I used mine. I may not be right. No one is infallible.

Mr. COLDWELL: I am bringing it to your attention because I know from my contacts throughout the country that what I say is correct; and that what your committee says is correct.

By Mr. Graydon:

Q. Who constitutes your program committee?—A. They are given in the evidence which I presented earlier before this committee.

Mr. Ross: He goes on after the news on Sunday. As I say, to me, Mr. Farrell is always very interesting. However, a great many people tell me the same thing as Mr. Coldwell says, that they just turn that program off. Now, it may be the wrong time for Mr. Farrell to come on.

The CHAIRMAN: I suggest to the committee that in connection with Mr. Farrell there is probably a great deal of prejudice, and in order to bear that out just let me read a communication.

Mr. COLDWELL: What do you mean by prejudice?

The CHAIRMAN: You will see the point.

Mr. COLDWELL: I want to say this quite definitely: I have no prejudice, I know Mr. Farrell in a friendly sort of way and I am only bringing this forward because I thought it my duty to do so.

The CHAIRMAN: I am not referring to any member of the committee, but this shows the kind of propaganda one runs up against. This refers to a radio program by one Mr. Robert Farrell, who recently returned from Hollywood having just married one of Hollywood's extras, Maureen O'Sullivan,—who is taking up valuable time—why should they take the time to broadcast him twice on Sunday—now I suggest to the committee that that is the type of prejudice he is up against, conflicting Mr. Farrell with Mr. Farrow as the husband of an actress.

Mr. ISNOR: I think there is something in the point raised. I have heard something along the same line of the confusion in his name with that of someone else. Now, I am quite a radio fan myself and I know many people who like radio and I have never yet heard of one who while Mr. Farrell was broadcasting turned him off.

Mr. Ross: Mr. Chairman, I have listened to Mr. Farrell a great many times with real interest. My suggestion would be this, that instead of Mr. Farrell giving his talk at the same time every Sunday immediately following such an important thing as the overseas news broadcast, that he might be given some other place on the program for the day, and that might result in doing away with a good deal of this criticism we are hearing about. After all, the first consideration must be the listening audience; that is why I suggest that a change in time might be beneficial.

By Mr. Graydon.

Q. I have a question, probably it is not relevant to the discussion we are now on; who are the personnel of your program committee?—A. I have set that out on page 237 of the report of this committee:—

The task of framing programs is performed by a program scheduling board which meets at Toronto once a week, under the chairmanship of the general supervisor of programs, Mr. Bushnell. This board works on programs weeks in advance, and its function is mainly to co-ordinate. A good deal of flexibility of arrangement is inevitable, on account of the necessity of accommodating American programs, which are more liable than Canadian programs to last minute modification. The C.B.C. regional directors, who come together in conference at Toronto from time to time, have considerable latitude in compiling their own regional programs. There is a constant sifting of ideas. Many of these come from outside, some from radio critics of newspapers and periodicals; others from composers, authors, and discerning listeners.

There is a monthly conference of representatives of all program departments, regional representatives and other executives being included when possible. I attend that meeting and study the deliberations with great care. This meeting provides an opportunity not only for the communication and explanation by me of policy decisions, but also for the consideration of criticism, and new ideas. Full provision is made for this consideration of criticism. Program correspondence is carefully

analyzed and sifted. Samples of listener reaction are studied from time to time. The most acute and continuous criticism is from within the organization, through panels of listening committees specially selected.

Q. So that is the actual program committee which you refer to as being under the chairmanship of Mr. Bushnell who made the original report on this matter; how many would there be on that committee?—A. It varies, from six to eight at the weekly conferences; and then there is the conference under my chairmanship once a month at which there would be about twenty.

By Mr. Coldwell:

Q. How long has this commentary been going on?—A. About three years.

Q. How many times have adverse recommendations been received?—A. Only twice, in writing.

Q. Twice in writing?—A. Yes.

Q. The others have been verbal?—A. Yes; but it is by no means unanimous. I agree that the bulk of the expert opinion has been adverse, but that does not necessarily make it right.

Mr. CLAXTON: Then, with regard to the complaint brought out in Mr. Buchanan's letter (page 138) it says:—

Yet only a few months ago, you ordered the scheduling of R. B. Farrell, a journalist of Ottawa, in a renewal of the series, 'Between Ourselves', which he had given last season. Previously about a year ago in September, 1939, the program department, from a purely broadcasting point of view had reported to you, following a meeting in the office of the supervisor of programs in Toronto, that it was the "unanimous decision of the program board that there was no merit whatsoever in Mr. Farrell's talks." It was felt that this series by Farrell should be cancelled so that more pertinent material by more competent and authoritative speakers could be substituted. You refused and when this request was later renewed you again refused, this time on the grounds of public policy. You stated that this series was designed to improve public morale in time of war, that it was presented in the national interest, and hence could not be cancelled on mere grounds of quality of production. You, however, have never given any evidence at any time that this series was referred to the board of governors as to definition of policy.

It was apparent that on that occasion it was unanimous.

The WITNESS: That was the only communication which appeared to be unanimous.

Mr. COLDWELL: How long ago was that?

Mr. CLAXTON: Mr. Buchanan gives it as being about a year ago in September, 1939.

Mr. ROSS: When we are talking about programs, and so on, there is a service which is good—that is, I do not know what the service is, but most of the private stations take the service here in Canada and in the United States as well—it is a good way in which to find out what your listening audience is. I do not know whether this would be of interest to the committee or not but I have it here. It might be of interest for the committee. I don't want to interrupt and perhaps I am out of order; am I, Mr. Chairman and Major Murray, am I out of order?

The CHAIRMAN: Not if it is relevant to what we are discussing.

Mr. COLDWELL: Does it relate to the topic under discussion?

Mr. Ross: Yes it does. It says:

The number of programs of an educational, informative and political nature that are carried over the C.B.C., while not creating specific resentment in the minds of listeners, do undoubtedly tend to destroy listener audience. Programs by university professors on economic subjects, talks of all sorts on a regular basis, which are not particularly interesting to the general public but which the C.B.C. arrange for and carry largely to satisfy minority groups who clamour for this type of broadcasting on the national network, do not have general public acceptance and surveys show they rate very low in the minds of listeners and naturally some people are apt to criticize these activities as being a waste of their licence money.

That has a direct bearing on what we are discussing.

Criticism, however, does not seem to be very general and again appears to be diminishing, and the fact that in most areas alternate stations with alternate programs are available, eliminates to some extent criticism that would otherwise develop.

Just as an example of how listener audiences react to talks, on a recent Monday in March following the successful conclusion of the Victory Loan campaign, a program was carried on the national network on which the speakers were the Prime Minister, Hon. W. L. Mackenzie King; Hon. Mr. Ilsley, Minister of Finance, and Mr. George W. Spinney, the national chairman of the Victory Loan drive. According to surveys, there were at that particular time 56·7 per cent of the total radio sets in the Toronto district tuned in and being listened to. This Victory Loan talk with the Prime Minister, Mr. Ilsley, and Mr. Spinney had 7·5 per cent of those listeners, although carried on the largest and most powerful station in Ontario. Lux Radio Theatre, sponsored by Lever Bros., on another Toronto station, carried 74·8 per cent of the listeners and Ferde Mowry's dance orchestra on the only other Toronto station not carrying the Victory Loan speakers, carried 7·8 per cent of the listeners. WBEN (Buffalo, N.Y.) with a program called "That Brewster Boy" sponsored by Quaker Oats, carried 8·5 per cent of the listeners. Those four stations, therefore, accounted for 98·6 per cent of the people in this area listening to radios, and the Prime Minister and Mr. Spinney and Mr. Ilsley got only 7·4 per cent of that total.

The CHAIRMAN: Order, please. Mr. Ross, from what are you reading?

Mr. Ross: I am reading from my notes:—

It would be a fair statement to say that if the Lux Radio Theatre had not been carried on a Toronto station, all of the four Toronto stations at that hour would not have totalled 30 per cent of the Toronto and district listeners, as the great majority would have been tuned into Buffalo stations.

What I am trying to get at is—

The CHAIRMAN: We are entitled to know the basis of your information.

Mr. Ross: As a matter of fact, that is what I am trying to find out; Major Murray could probably tell me, this comes from one of the regular surveys which are made by a reputable organization but I just can't recall the name of that service.

The WITNESS: Would that be the Elliott-Hayes survey?

Mr. Ross: Yes, that is it.

There is no criticism of the C.B.C. by reason of the fact that the Prime Minister and other political and public figures are carried on the network. It is, of course, a "must" on a nationally operated and pub-

licly financed operation, but it is an interesting fact that the public in Canada still look upon radio primarily as a medium of entertainment and information, education and propaganda must be properly sugar-coated if they are going to accomplish objectives and get the ear of the person sitting in front of the radio set who can tune you in or cut you out with a simple turn of the dial.

Now, that to my mind follows along the ideas that I had about Mr. Farrell. I have listened to him very carefully and he is one whom I have always enjoyed, and I have liked what he had to say. However, I think it was a mistake to put him on just at one particular time. I thought that these facts might be of interest to the committee and that is why I have read them. After all, if you are going to have radio useful to the people of Canada you must have a listening audience; and therefore, spot news is more important than most of us usually appreciate.

Mr. ISNOR: What kind of news?

Mr. Ross: Spot news. And then, this thing comes on on Sunday and I have taken the pains of speaking to a good many people in my own riding in the city of Toronto, and every single one of them has told me that they have listened with a great deal of interest to Mr. Percy Phillips' talk. And everybody listens to Mr. Brockington when he speaks. On the other hand, I think it is more or less a waste of time, as a matter of fact, for Mr. Ilsley and so on to speak over the radio in a Victory Loan campaign. That is all I have to say. And naturally, as I say, Mr. Farrell's talks are so interesting; it is only just a matter of constructive criticism as far as I can see it; Mr. Farrell's talks are very interesting but they come on just at the wrong time and most people just turn the dial. I do not, because I like listening to him.

By Mr. Coldwell:

Q. I understood you to say that you were personally responsible for these particular broadcasting?—A. Certainly, yes.

Q. And that your committee has from time to time recommended adversely against it?—A. Amongst other things; there are other points of disagreement.

Q. I don't doubt that at all; but I feel this way about it, when somebody is advertised as an outstanding Canadian commentator I think we should be assured that that commentator has a listening public, and that such a reference does not convey a wrong impression, that he is the type of commentator that our well-known commentators are. That, I think is a criticism that can be made. I imagine a radio program committee should also consider very carefully the voice and style of the speaker over the radio; and I heard a great deal of criticism from that angle.

Mr. Ross: Another thing (just before I finish with this thing) I would like to say this: I agree with what the corporation is doing in connection with the radio school; I think they could go much further with that, however. I am not going to read this little pamphlet I have here, it is written by Mr. J. B. Priestley, whom we all know. I think it is most interesting, but I do not want to take up the time of the committee by reading it all, but I think it might be interesting for all of us if it were put on the record. It would place before us Mr. Priestley's idea of the essential differences between the broadcasting done by the B.B.C. and radio broadcasting in the United States and Canada. As a matter of fact, I think radio broadcasting in Canada has made a tremendous stride forward in the last little while. I don't think people want to listen to swing-song all the time. I think they like to have a little variety as we do in the House of Commons. Every time I listen to Mr. Coldwell speaking in the House of Commons he almost convinces me about some of the things he has to

say. With your permission, Mr. Chairman, and with the permission of the committee, I would like to have this little pamphlet put on the record for the benefit of the committee.

The CHAIRMAN: I am informed that that was supplied to the committee by the broadcasting corporation and I believe there are a sufficient number of additional copies for each member to be supplied with one. We will see that that is done.

By Mr. Graydon:

Q. While I am not an expert on these matters may I ask Major Murray, by way of information; I suppose that the voice and the manner of delivery of the speaker over the air has almost as much to do with his listening audience as the type of material that he gives; is that the case, or is it not?—A. Well, I should say that perhaps the most important consideration is personality and that embodies both voice and delivery. But that affords me one more opportunity of making a little further comment on Mr. Farrell—

Q. I was not referring to Mr. Farrell.—A. It was my idea in the beginning. Realizing that he had a considerable and growing listener reaction—as a matter of fact, the facts are that over the whole period of his broadcast he has been receiving listener appreciation at the rate of about 200 letters per broadcast, favourable letters. I said to him, quite definitely, I think I can make a broadcaster of you in the accepted conventional fashion; but he perhaps wisely resisted the advice. I said, all right, we will try an experiment. I thought he was wrong, because he did not seem to conform to one's conception of broadcasting in the ordinary way; but to do that he would have to depart very considerably from what was with him a personality appeal. It is a rugged, exceptional personality, and it finds expression in his own way. Now, the other point that I was asked about was the training of public men. There was some comment—I think it is not unfair to say that there is a more general radio mindedness in the United Kingdom than there is on this side of the Atlantic, except for a few in Washington. Whenever I have the opportunity of giving advice to public men I always suggest that a very definite study be made of microphone technique, not only in terms of reading what is to be read, but also in practising and listening back to one's self for a considerable period. The only way you can develop your microphone technique is by studying your own imperfections, and no one has any idea of what he sounds like until he hears his own voice in different moods, in reading different kinds of copy, and so on; and the general standpoint of effectiveness on the air also would be enormously improved if more experienced public speakers would realize that when you are speaking to a microphone you are addressing one person only. Of course, the great master speaker of the art, the great original master, was Sir Oliver Lodge. He was the first one to lay down the rule, absolutely, that he was speaking to one person, and to one person only. He carried it so far that he would not allow a microphone to be in evidence in the studio, and Lady Lodge was always present in the studio during the course of any of his broadcasts. On no account would he permit a rhetorical manner to develop because he believed, and he practised his belief, that the message you give to the microphone is for you and you alone; and he made the great success he did because he was intimate and sincere. The suspicion of oratory, or anything of the kind which is more characteristic of the platform, fails on the microphone. However, I do not wish to take up the time of the committee with that discussion.

Mr. COLDWELL: One of the handicaps you have in broadcasting is that you have to follow a manuscript, and you cannot do that with the same ease as though you were speaking extemporaneously.

The WITNESS: Well, you have heard it said no doubt that the only really successful impromptu speech is the one which is most carefully prepared.

Mr. COLDWELL: That is a different thing from reading a speech. You can prepare a speech carefully and have all the material in your mind—and I don't mean memorize it—and tell it to somebody in the room, or as I do myself, talk to somebody in the audience, just talk to them, and if you have not a manuscript of course you can do that quite easily.

Mr. Ross: I suggest, Major Murray, to Mr. Coldwell, there is a way to do it which I have done on several occasions. I have gone down to the studio when I have been going to make a speech and I have had about five different recordings made and then listened to them. It only takes a little while to do that and one finds the results are more satisfactory.

The WITNESS: That is quite true. However, there is one thing to which I would like to go back; with all due deference to Mr. Coldwell, if you have a manuscript you must speak just the same as though you haven't got one. You have to know how to do it. And another thing, you must avoid crinkling your paper. The B.B.C. have a sign hanging over their microphone in most studios which read something like this: "crackle your paper and you deafen millions".

Mr. GRAYDON: It is largely a question of experience.

The WITNESS: Always realizing it is intensely personal; and, in order to be successful, it has got to be sincere. It is astonishing how the microphone will puncture insincerity or anything that lacks vitality.

By the Chairman:

Q. I was just going to ask you, with reference to the comments that have been made about Mr. Farrell, if you have people in the employ of the C.B.C. who occupy somewhat similar positions with respect to whom there has been criticism?—A. Oh, yes, very active criticism. I think, in fact, it is almost a signal that there is something wrong unless a commentator develops some criticism. I do not know whether I would go so far as to style it animus, but there is in every case a party for and a party against.

Q. And those people against whom criticism of that type has been levelled still continue to be employed?—A. Oh, yes, if I consider that they are worth while and that the criticism is unjustified or unbalanced; it is largely a question of common sense, judgment; I do not claim to be infallible, but I try to do my best in the matter.

Mr. COLDWELL: I raised the point I did this morning, as I said, on account of the fact that I had met literally thousands of people who made exactly the same criticism that others have made. I have been in homes where at 10:15 (in the West) radio went off. I have asked the reason, and I have been given the same reason every time.

The CHAIRMAN: Mr. Farrell is here, you know; and he asks an opportunity to make a statement to the committee. Is it the wish of the committee?

Mr. COLDWELL: I think that is fair.

The CHAIRMAN: All right, Mr. Farrell, if you wish to make a statement in reference to it to the committee.

Mr. M. B. FARRELL called.

Mr. FARRELL: May I sit down?

The CHAIRMAN: Yes, sir.

Mr. FARRELL: I very much appreciate Mr. Coldwell bringing this matter up. He has a very astute mind and he is a great servant of the country, and I know he is not saying this in any unfair way.

Mr. COLDWELL: I can assure Mr. Farrell that I only brought it up because I thought it my duty so to do.

Mr. FARRELL: I have had conversations with Mr. Coldwell; this may be beside the matter, but he may some day be in a greater position than he is to-day. What we must remember, as Major Murray through his evidence has shown, is to have real fairness. Now you say, for instance—I think it was referred to by yourself and Mr. Ross—the fact that around this house the reaction was not very favourable to my talks. I have in my possession one hundred and twenty-five letters from senators and members, some of them from members of your own party; I have hundreds of thousands of letters in my own home—which I keep in very safekeeping—from the very highest to the humblest; and I may say, without any cheap “demagoguery” that I prefer those from the humble people. Knowledge does not consist of education, as we all know; and this is proven by contact with the men and the women that I have worked with all over the world and worked with in different capacities; my letters also come in thousands from returned soldiers of the last war and some hundreds of thousands of this war, young men, and from boys in schools. I speak the truth, simply and sincerely; and I speak for a cause. Now, as to my qualifications: this is important for me and why I ask for fairness, Mr. Coldwell—and I am grateful to Mr. Ross, and to my good friend from Halifax, where I was born. As to my qualifications, I am an honour graduate of a Canadian university; I am also an honour matriculant at London University and took a course in metaphysics in one of the greatest public schools in England. I raised a regiment in the last war by public speaking, altogether 9,000 men.

Mr. COLDWELL: May I say that I am not referring to your qualifications at all.

Mr. FARRELL: No. My qualifications have been questioned by Mr. Buchanan who has never been a public speaker. I have been in close touch with the broadcasting corporation and know as much about it as any man in Canada, and the first qualification of a man in charge of talks broadcasting is that he should be a first-class talker himself.

Mr. ROSS: Might I interrupt the speaker a second, Mr. Chairman?

The CHAIRMAN: Order; just let Mr. Farrell continue.

Mr. ROSS: I was not criticizing Mr. Farrell's talks at all because, as I said in my remarks to you, I listened with a great deal of interest.

Mr. FARRELL: And you said you knew a great many people who had been listening to me.

Mr. ROSS: I believe they have; on the other hand, I am perfectly certain your qualifications could be better used.

Mr. FARRELL: Every man's qualifications could be better used.

The CHAIRMAN: Order, gentlemen.

Mr. ROSS: If they were not on at exactly the same time every day.

Mr. FARRELL: That is for the general manager to decide.

Mr. ROSS: That is right.

Mr. FARRELL: Who is the general manager?

The CHAIRMAN: Order; only one speaking at a time, please; otherwise you will not be able to get on the record.

Mr. ROSS: It is only a constructive view which I tried to put forward to the general manager. It was not any criticism about you, Mr. Farrell. The point is, as I said, that I listen to you, and you have a tremendous audience, as far as that is concerned; but I think you would have a larger audience if you were on at varying times.

Mr. FARRELL: That is for Major Murray to say.

Mr. ROSS: That is only my view.

Mr. HANSON: Who is the witness?

The CHAIRMAN: All right, Mr. Farrell; will you proceed?

Mr. FARRELL: I will just be one or two minutes. I do not wish to take up the time of the committee unduly. I get a small fee, a very small pay for the work. Putting it simply—I get thousands and thousands; as I have said, hundreds of thousands of letters from every class, every shade of politics from people in every legislature and every house everywhere, including mayors of cities. There are many bitter complaints coming to me personally, that I am turned off in the West. And now, Mr. Coldwell said I am turned off, they don't have to listen—I don't like to listen to certain programs; but I try to be both a newspaper man and a radio man. I have been in the newspaper business for 23 years. I take it as a compliment from some people to turn off my talks, because they are not the right kind of people if they cannot listen to sincere patriotism by an informed speaker.

Mr. Ross: I think he could at least try it.

The CHAIRMAN: Order, gentlemen, order please; let Mr. Farrell proceed.

Mr. FARRELL: I happen to be a Roman Catholic. I have had letters saying, thank God you are a good loyal Belfast Orangeman. Well, I get all sorts. I have never attacked anybody, I have supported the government in its war effort which I believed it was my duty. I only attack Communists and Nazis, and I have gone through hell because I did so, but not through any fault of the government. Now, that is what I want you gentlemen to know, the facts. I am not making a speech, and I don't want to; I merely want you to consider my position fairly. I believe in the sacred ego of every honest man; and, as I said before, I respect his opinions; and that is the way I speak on the air, and if that is not a contribution—that is my educational background, and I have had tributes from the greatest men in this country and the humblest; from that you can judge for yourselves. Thank you, Mr. Chairman, very much.

Mr. Ross: I must go back on this one second; I did not attack Mr. Farrell's speeches; as I say, I listen to them; on the other hand, there are a great many people who would listen to them if they were broadcast at a more appropriate time. I congratulate Mr. Farrell on what he is doing.

Mr. COLDWELL: I feel that Mr. Farrell made a statement there that should be taken up; he said that some people turn him off—

Mr. FARRELL: I should have said, the wrong kind of people. You know, we had a condition in the early stages of this war which was exceedingly dangerous to public interest, and I was speaking merely from my position as a broadcaster. I thought it my duty, as I was not restricted, to refer to a dangerous situation as an old soldier and a man of public spirit, and I naturally got very bitterly attacked, attacks which included threats on my life. There is a limit to what a man can take of that kind, and they attacked me very bitterly.

Mr. COLDWELL: I am not just sure as to just what kind of people you were referring. The people I had in mind are not those to whom you referred; they are not Communists and they are not Nazis.

Mr. FARRELL: I cannot entirely agree with you.

The CHAIRMAN: Order, please.

Mr. COLDWELL: The people I am speaking for in the prairies are people who are all friends of mine.

Mr. FARRELL: Of course, they are.

Mr. COLDWELL: They are people occupying good public positions, and ranging down to humble farmers with whom I have had the privilege of staying over the week-end; and I am going to be quite specific about it and I am going to say this; I am going to be quite direct, Mr. Farrell, if you will pardon me; and I say this, I have heard this over and over again: "Why on earth does the C.B.C. put that man on the radio?"

Mr. FARRELL: Well, that—

The CHAIRMAN: Order, please.

Mr. COLDWELL: Just a minute—that old men can't give a young personality over the radio; the young can give expression to an older personality over the air, but why do they put Mr. Farrell on? Quite frankly, it is the voice and the manner that is not acceptable to the people about whom I am speaking, rather than the material; and that is the reason why it is turned off. And I think that probably in view of what Mr. Farrell has said I should be perfectly clear; and I imagine that if you find the basis of the adverse criticisms that have been made by Mr. Murray's own advisers it would probably be the manner of the broadcasts and the voice, the unsuitability of the thing that would be the basis of the criticism, not the material at all; rather the personality of Mr. Farrell.

Mr. FARRELL: Oh, I appreciate—

The CHAIRMAN: Just a minute.

Mr. COLDWELL: I am interested in radio and I listen a great deal, and I must confess that I am inclined—not inclined, I will put it quite clearly—I agree with the criticisms of the people to whom I refer.

The CHAIRMAN: Just a minute; this is not going to develop into a debating society or argument. Somebody is going to have the last word and I am going to have it. That closes the matter for the time being. Proceed, Mr. Murray.

- The WITNESS: May I refer to my answer to a question by Mr. Ross contained on pages 346-7 of proceedings No. 7; the information given on those pages is taken largely from this Elliott-Haynes survey he quotes; which, of course, we study with the very greatest care. I would emphasize, as I tried to do then, that even in that survey, while it is one of the most accurate, it does not give the whole picture. Their work is founded largely on urban surveys because of the fact that in the cities people are most easily reached by telephone. While it does give some indication of the listener response in urban centres it does not really give a national picture. These surveys had to be considered in relation to their limitations and also in relation to questions of policy. I have already mentioned that I believe entertainment to be our chief duty, and I think that our national responsibilities are more effectively carried out if everything that we present is acceptable to the listener in terms of being easy to listen to; or, in terms of some quality that will attract an audience. But I would very much deprecate the tendency or view, which I know Mr. Ross does not share, but which is common in some quarters, that you must always proceed on the basis of underrating your audience. There is constantly in progress, as has been proved undoubtedly not only here but in the United Kingdom and the United States, there is a steady elevation of the public itself and a steady increase in the area of desire for better material, intellectually and culturally. That, however, does not remove from us any responsibility of making all our offerings acceptable. Therefore, we must assess the rate of growth of appreciation of the public itself, not keep behind it.

Mr. Ross: That is the reason why I asked this question, as a matter of fact. Just while we are on the subject, I would like to voice appreciation of Major Murray's appreciation of public listener interest. As a matter of fact I know that the Elliott-Haynes surveys show that over the last four or five years there has been a gradual education and a gradual elevation of programs on the C.B.C., and that is appreciated not only by our listening audiences in Canada but in the United States as well. I think he deserves credit, and that is why I say that.

RADIO BROADCASTING

There is one thing I would like to ask—I do not know whether this is the right time to do it or not—I would like to ask this: Has the B.U.P. asked for any revision of its arrangement with the C.B.C.; and also, is it true or is it not that while the Canadian Press may furnish much of the C.B.C.'s domestic news the greater part of it is foreign news drawn from the B.U.P.; then, if the Canadian Press is compensated would it not be only fair and just to pay B.U.P. a corresponding sum?—A. May I have the first question?

Q. As to whether or not any representations have been made by B.U.P.?—A. No.

Q. Well then, I guess the other question is not relevant. I understood they had asked for a revision.—A. No. I do not think it would be possible to assess exactly to what degree our service is split; as far as service goes, the service through both is good, I think perhaps the best service we could get. Another service was offered to us recently. And we have to study its merits; it is the news service of Reuters, which is making good headway in the United States. But I think we all owe a debt of gratitude to the Canadian Press and B.U.P. for all they have done, and I hope we shall be able to continue both services. I should be reluctant to see either service cut off.

By Mr. Ross:

Q. The question that I wanted to ask was, is the type of survey to which reference has been made reliable?—A. The Elliott-Haynes is a research service, and it is a very good service. In Montreal there is one operated by Dr. Webster—it corresponds to the Gallup poll.

Q. You consider it quite reliable?—A. I think they are quite reliable; of course, you have to take them subject to interpretation; Dr. Webster's service is known as Opinion Surveys Limited. And, oh yes, there is another one, Canadian Facts, of Toronto. Those are the important services.

Q. And you are using all three of them, are you?—A. We have all the available information together with our own samples of opinion.

If I may proceed to the next point, this committee referred to something about the interchange of programs with Latin-America. So far as it has been possible to arrange these without our own highpowered shortwave system, the organization of the Argentine-Canadian Cultural Institute and the plans for the celebration of a Canada Week in the Argentine provided a good opportunity for special broadcasts.

The first exchange took place in the latter part of May. On Saturday, May 23, the C.B.C. arranged a special program which was sent through the facilities of R.C.A. to the Argentine and rebroadcast by a network of stations there. This rebroadcast, of course, was on the standard broadcast band which can be picked up by the ordinary household receiving set. The following week the Argentine reciprocated with a broadcast which was carried in Canada by the C.B.C. Both programs were principally made up of characteristic music and included talks by representative officials. The Hon. James A. MacKinnon and the Argentine Minister to Canada spoke on the Canadian program and the Canadian Minister to Argentine and the President of the Argentine-Canadian Cultural Institute appeared on the broadcast from Buenos Aires.

By Mr. Ross:

Q. How did you get that reciprocal arrangement made between yourselves and Latin-America; what facilities were there in this country, as a matter of fact, to do that?—A. We had to depend on the facilities of the Radio Corporation of America; we beamed it.

SPECIAL COMMITTEE

Mr. Ross: That brings me to another point, if I might interject right there: you are telling us something that is very interesting to me. I asked the Minister of National War Services what was on the other side of the balance sheet, and he didn't tell me. I gave him a fair cross-examination, as a matter of fact, and he gave me all the reasons which he had for having a shortwave broadcasting station in this country but then he couldn't give me anything on the other side. As a matter of fact, I asked him what was on the other side of the balance sheet. First of all, he said, we know that the costs are some \$300,000—what is the cost for a shortwave station, some \$400,000 or \$500,000—and also some of the business end of it; he stuck to the business end of it; as to how much this thing would cost us every year; and he said he had it on good authority. I said to him, I would like to know what your authority is; and he said that it would cost more than the estimate which has been made by the broadcasting corporation. I don't want to labour the point, but every time I asked him the same thing, I asked him what is on the other side of the balance sheet. Then I asked him if the Minister of Trade and Commerce had ever made any representation to him as to how advantageous it would be to Canada to have—just along this line that you are talking about now—to have a shortwave broadcasting station—and he said he thought—

The CHAIRMAN: Mr. Ross: order, please; with that review, what is your question to Major Murray?

Mr. Ross: I am going to get to that in a minute, I think I have a perfect right to review it, if you don't mind, Mr. Chairman. I said that again, and he said it was a most improper question to ask him; to ask him whether the Minister of Trade and Commerce had ever made that statement to him, that he wanted to have a shortwave broadcasting station in connection with trade. So, I think the only way we could do it is to have the Minister of Trade and Commerce. Now then, what I am coming to is this: what is the other side of the balance sheet. We have to spend from \$300,000 to \$500,000 a year; what is on the other side of the balance sheet? What advantages do we get from it and so on? I think that is something we should know. It is very important, I think. There certainly is something of tremendous tangible value to a high-powered shortwave broadcasting station; but here now we have with our reciprocal arrangement with the Latin-Americas to go to the B.B.C. to get this through.

Mr. COLDWELL: What does Mr. Ross mean; on the other side of the balance sheet?

The CHAIRMAN: I do not know.

Mr. COLDWELL: Does he refer to dollars and cents or intangibles and unassessables?

Mr. Ross: It comes down to two things, doesn't it; dollars and cents and what is the intangible value, as a matter of fact, of radio broadcasting and of propaganda as far as Canada is concerned. Why do we spend all this money in connection with everything; taxes of one kind or another? There must be something on the other side of the balance sheet that is worth while, because it costs us plenty of money. That is the kind of thing—as a matter of fact today the excuse which has been given by the government for not having a shortwave broadcasting station in this country has simply been this question of cost; and if the government were to spend it, what is the advantage going to be to Canada?

The WITNESS: What is the question?

The CHAIRMAN: I don't know.

Mr. Ross: I do not know whether Major Murray is at liberty to give us an opinion.

The CHAIRMAN: What is the question?

Mr. Ross: The question is, what is on the other side of the balance sheet?

The WITNESS: Well, Mr. Chairman, I am not an unbiased observer in these matters; as a matter of fact from the evidence which I have given to date and as you will recall from my previous observations on the shortwave station situation, I am such an enthusiastic advocate of it that my figures, even if I tried to give figures, would be perhaps not unprejudiced; but, of course, I think the advantages would be enormous.

Mr. Ross: That is all I wanted. You are, as a matter of fact, today handicapped, as I said before in reference to this thing, you are handicapped by lack of reciprocal arrangements in connection with shortwave broadcasting. Five years have gone by, as a matter of fact, and we have not yet had one scintilla of evidence to show us why we should not have a shortwave broadcasting station in this country. To my mind it is one of the most important things.

Mr. COLDWELL: Well, Mr. Chairman, have we got that clear now?

The CHAIRMAN: Yes, we will proceed, please.

The WITNESS: I must add to my previous answer that I am unaware of larger considerations which may weigh with the Govt., for which I have no right to speak.

This initial exchange is being followed up with further broadcasts in connection with Dominion day. On the eve of Dominion day, June 30, we will carry a special half-hour program from Argentina and on Dominion Day itself we are sending a half-hour feature program about Canada to the Argentine.

All these programs are announced in English and Spanish.

Through the co-operation of the Department of External Affairs we have been supplied with a list of all major South American anniversaries and it will be our policy to recognize these in some way. For instance, on May 20 it was Cuban Independence Day. The regular broadcast of the Canadian Grenadier Guards Band was designed to take the form of a special tribute to Cuba. Short-wave transmission was arranged again through R.C.A. and the program was carried by a group of Cuban stations on the standard broadcast band.

And it is most gratifying to recognize the response that we get. Apparently there is a tremendous cordiality to Canada throughout the Latin-American countries.

Another question was asked about payment on these Labour forums and I promised to bring forward the facts.

These broadcasts are arranged in co-operation with the Workers' Educational Association. To that organization we pay, through Mr. Drummond Wren, a sum of \$40.00 for each broadcast.

Over and above this the writer of the scripts receives \$35.00 for each script.

Those who took part in the Farm Forum were professional actors and paid as such. On those occasions when farm people took part, they were paid the same as other C.B.C. speakers.

There was no charge for the scripts which were written by members of our own farm broadcasting staff. The Farm Forum broadcasts differed from the Labour Forum broadcasts in that they were entirely a C.B.C. production.

Now, Mr. Chairman, I have come to the point — I do not know whether it is the desire of the committee that I should take this up now or later on in the proceedings. I was asked to bring forward notes on the Thompson and Plaunt reports, particularly as coming from my angle as general manager; the degree of attention that was given to these reports; what action was taken on them, and so on. I have notes here which go right through both reports but which would take rather more than an hour, I think or possibly longer, with the discussion that would supervene.

Mr. COLDWELL: I think we had better have Major Murray make the report uninterruptedly. I do not think we should go into it this morning.

Mr. Ross: In view of the fact that there is so much controversy about the Thompson-Plaunt report—after all, it is a report given by a reputable firm of chartered accountants, and so on; I think one of the duties of this committee is to go through that report more or less step by step; and if we can do it in an orderly fashion, if we can have the report in front of us—most of the members have things I imagine that they want to take up step by step, and I think Major Murray would have the answers to the things—to see how many of these recommendations have been implemented and so on. Both reports, to my mind, are well worth study in this committee and I do not believe we could possibly do it this morning.

Mr. COLDWELL: And in that connection he promised to let us have a reply on the matter of Buchanan's letter?

The WITNESS: Yes.

Mr. COLDWELL: He has referred to it but I do not think it has been tabled as yet.

The WITNESS: Yes, I will do it.

Mr. COLDWELL: Could we have the correspondence following the resignation of Mr. E. A. Pickering at the same time?

The WITNESS: I will get that.

There is just one other point, I have been accused in the evidence brought forward of either an error of judgment or of yielding to pressure in connection with a series of talks under the general title "Canada at War" running from October 29, 1931, to January 19, 1940. This was a series of representative Canadians on Canada's attitude and effort in the war. The contributors were:—

Mr. George McCullagh of Toronto;
Col. Wilfrid Bovey, formerly Governor of the C.B.C. and now a member of the Legislative Council of the Province of Quebec;
Mr. Leon Mercier Gouin of Montreal;
Mr. Allistair Stewart of Winnipeg;
Dr. Sydney Smith, also of Winnipeg;
Dr. Carleton Stanley of Halifax;
Rabbi Eisendrath of Toronto; and
Mr. W. L. MacTavish of Vancouver.

Criticism was directed against the admission to this series of Mr. George McCullagh. Let me make it clear at once that the responsibility for the inclusion of Mr. McCullagh, as indeed for that of the other speakers, rests entirely with me; likewise I am glad to claim most of the credit for what was an exceptionally successful series. It was meant to be forthright, aggressive, arousing. There was talk in those days of a phoney war—talk which was not confined to the United States. It was obviously the duty of the C.B.C. to do what it could to dispel this illusion, to take counter measures against the danger of lassitude or indifference—and not least to make it clear that the war was being fought not against a minor clique or a self-contained gang in Germany, but against the consolidated power and united effort of 80,000,000 people who whether or not they contained liberal elements, had allowed themselves to accept a policy of world domination by force of arms. The purpose of the series was to arouse opinion to reality.

As Mr. McCullagh's talks in this series have been criticized in evidence presented to this committee, I have secured copies of these talks for examination by members of the committee. I submit that it was not an error of judgment in the autumn of 1939 to provide a forum for these talks—on the contrary, I think there should be credit and not blame involved.

I have my reply to Mr. Buchanan. Shall I read it, Mr. Chairman?

Mr. COLDWELL: I was going to suggest that it could be put on the record and be ready.

Mr. ROSS: I agree with you there.

Mr. COLDWELL: If you wish.

The WITNESS: At this stage?

Mr. COLDWELL: Then it will have to be read.

Mr. HANSON: Why not put it on now?

The CHAIRMAN: It will be more in keeping with the rest to have it together.

The WITNESS: Mr. Chairman, that completes my supplementary information, I think I have covered all the points in which the committee were interested to date.

The CHAIRMAN: Have you any further questions for Mr. Murray; I refer to the matters which have been under discussion this morning?

Mr. COLDWELL: I was going to ask if he is prepared to give us an answer with respect to advertising.

The WITNESS: Dr. Frigon will have that ready when his turn comes. He has it ready now. I can hand it over to you. I had forgotten that. We could clear that up. What is your wish?

Dr. FRIGON: I can file the answer now.

The WITNESS: There is the answer which could be read now.

Mr. COLDWELL: We may as well have it now.

Dr. AUGUSTIN FRIGON, Assistant General Manager of the Canadian Broadcasting Corporation, recalled:

The WITNESS: Here is the statement: We submit the following figures of commissions paid to agencies and of payments made to privately owned stations for various war and allied campaigns handled by the C.B.C. These figures relate to facilities only, i.e., they cover stations' time and lines.

From January 31, 1941 to March 31, 1942, agencies received \$19,219.67, commissions for network business, and \$4,609.20 for spot business on C.B.C. owned stations, or a total of \$23,828.87 commissions for business handled by the B.B.C. Privately owned stations received \$49,173.67 for network station time. An amount unknown to us was also paid by government departments to agencies and private stations for spot business, program production and talent.

Prior to January 31, 1941, the amount of government sponsored network and spot business was negligible.

Quite a large number of sustaining war programs were produced and broadcast by the C.B.C. which are not included in the above business.

By Mr. Coldwell:

Q. Then, I take it that the answer I got the other day wasn't just correct, when it was said that the government didn't pay a commission. The government I understand has paid some commission for the placing of programs with the C.B.C. directly to agents, and it is not a discount granted C.B.C. directly to agents, and it is not a discount granted by the corporation to the agency; is that right?—A. The commission mentioned in this statement is for the giving of services rendered.

Q. No, you missed my point: in that report you said that you have no knowledge of accounts that the government has paid to agencies for placing of spot business with the C.B.C.?—A. No, no; we have no knowledge of what happens outside of the C.B.C. There has been business handled directly by the government, government departments, with agencies and offices, of which we have no information.

Q. Not arranged by the C.B.C. itself?—A. No.

Q. That is the point I wanted to get clear in my mind, that is a different matter.—A. I will read this:—

“An amount unknown to us was also paid by government departments to agencies and private stations for spot business, program production and talent.”

Q. To agencies, you say; private stations; and I thought all the agencies were placing this spot business with the C.B.C. when I heard the report?—A. I gave the figure for the C.B.C. as \$4,609.20.

Q. That was paid by the C.B.C. to the agencies?—A. Paid to the agencies for spots on the C.B.C. stations.

Q. Yes, and that is without the money that was paid by the government departments for other business over C.B.C. stations?—A. This is for the payment by the government for broadcasting services on the spot business on our stations; the agencies received for that sort of business \$4,609.20; which, as I said before, covers their services. It is called a commission, but it covers their services, handling this business. Am I clear there?

Q. Yes. Now, with regard to the \$19,000, that was paid by the C.B.C. to the agencies; is that right?—A. Well, it was paid by the C.B.C. in a transaction which was made for government departments.

Q. That is right, it was paid by the C.B.C. on account of government business paid through the corporation?—A. That is right.

Q. And I take it that is your total amount paid in such connection?—A. So far as the business we have handled goes, yes. What has been on the outside, we do not know, and we have no means of telling.

Q. I am not worried about the outside thing because that is an understanding with the private stations; is that right?—A. A department; say the Finance Department will decide to conduct a campaign on a Victory Loan; well, they will handle them and they will ask the agencies to handle their business with the result that there are payments to be made, some for talent and some for lines, stations; this is the amount which reverted to agencies for their part in handling that business.

Mr. COLDWELL: Yes.

By Mr. Ross:

Q. As a matter of fact, the government leaves it to the agency to a certain extent to place the advertising with whichever station they think advisable?—A. Not exactly; the agency supplies their part of the service work.

Q. I understand that.—A. We do the other.

By Mr. Coldwell:

Q. I suggest it might be interesting to have these figures broken down by departments; for example, the amounts paid in commissions by the Finance Department; or, paid by you on account of broadcasts for the Finance Department in connection with the Victory Loan?—A. Might I ask that I leave this thing over until I am prepared to cover the whole thing. It is a pretty intricate piece of business and we have had our man working on it for three or four days and it is not quite through yet.

Mr. COLDWELL: I wish you would do that.

The WITNESS: I have just this one answer with me at the moment.

Mr. COLDWELL: I would rather wait until then and get the question answered fully.

Mr. Ross: That is pretty nearly enough for to-day.

Mr. COLDWELL: We haven't got a quorum anyway, so perhaps we had better adjourn.

The CHAIRMAN: That will end the business for to-day. We will meet again to-morrow at 10.30 o'clock a.m. Do you wish to proceed with Mr. Murray to-morrow; or, are you finished with him?

Major GLADSTONE MURRAY: I will be able to deal with the Plaunt and Thompson reports then.

The CHAIRMAN: All right, gentlemen, we will adjourn.

The committee adjourned at 12.45 o'clock p.m. to meet again to-morrow, June 17, 1942, at 10.30 o'clock a.m.

APPENDIX "A"

Air Services
Radio Division

CANADA

DEPARTMENT OF TRANSPORT

OTTAWA, June 16, 1942.

Dear Dr. McCANN,—As was requested at the last sitting of the committee, I have prepared lists of countries of the world operating shortwave broadcasting services, as follows:—

1. British Empire Countries.
2. Foreign Countries.

This information is based on the "List of Broadcasting Stations published by The Bureau of the International Telecommunication Union at Berne, 9th Edition, November, 1940," with supplement up to August 9, 1941.

It should be borne in mind, however, that since the outbreak of war the belligerent countries in general have not notified information with respect to their stations to the Bureau at Berne.

In preparing these lists, I have thought it of value to the committee to segregate the stations according to power in three groups—"low power", "medium power" and "high power". The latter group are, of course, the most important because they provide long distance, international shortwave broadcasting services.

Each physical station is counted as one unit irrespective of the number of transmitters and frequencies on which the station may operate and, as you will note under Great Britain, only one station is shown. This, of course, is the Daventry station which comprises several units for simultaneous transmission on a power of 50 kw.

While we know this is so in the case of Great Britain, we are unable to obtain from the information available any reliable details of the number of transmitters in use at the various large radio centres and particularly those in enemy countries.

Yours very truly.

WALTER A. RUSH,
Controller of Radio.

Dr. J. J. McCann,
Chairman of the Special Committee of the
House of Commons on Radio
Broadcasting.

COUNTRIES OF THE BRITISH COMMONWEALTH OPERATING SHORTWAVE BROADCASTING SERVICES

(Extracted from International List of Broadcasting Stations and latest supplements dated August 9, 1941)

Country	Number of Stations			Total
	Low Power (up to 5kw)	Medium Power (5 to 24kw)	High Power (25kw and over)	
Australia	3	2		5
British Guiana.....	1			1
British India.....	1	5		6
British West Indies.....	1			1
Burma	2			2
Canada	8	1		9
Great Britain.....			1 (50kw)	1
Hong Kong.....	1			1
Kenya	1			1
Malaya	4			4
South Africa.....	1	3		4
Total.....	23	11	1	35

11 countries.

LIST OF COUNTRIES OPERATING SHORTWAVE BROADCASTING SERVICES (Empire Countries Excluded)

(Extracted from International List of Broadcasting Stations and Latest Supplements, dated August 9, 1941)

Country	Number of Stations			Total
	Low Power (up to 5kw)	Medium Power (5 to 24kw)	High Power (25kw and over)	
Albania	1			1
Argentine		2		2
Belgian Congo.....	2			2
Belgium		1		1
Bolivia	17			17
Brazil	1	2	1 (25kw)	4
Chile	5	1		6
China			1 (35kw)	1
Colombia	29	3		32
Costa Rica.....	7			7
Cuba	13	7		20
Curacao	1			1
Denmark	1			1
Dominican Rep.	26			26
Ecuador	15			15
Egypt	1			1
Fiji Islands	1			1
Finland	1	2		3
France	1	2	1 (25kw)	
			1 (100kw)	5
French Indo-China.....	2	1		3
French West Africa.....	4			4
Germany			1 (30kw)	4
			1 (50kw)	
			1 (70kw)	
			1 (80kw)	
Guadeloupe	1			1
Guatemala	5	1		6
Hayti	3		1 (25kw)	4
Holland		3	1 (60kw)	4
Honduras	3			3
Hungary		1		1
Iceland.		1		1
Iran	1	1		2
Iraq	3	1		4
Italian E. Africa.....	1	1		2
Italy			2 (25kw)	4
			1 (50kw)	
			1 (100kw)	
Japan			1 (50kw)	1

LIST OF COUNTRIES OPERATING SHORTWAVE BROADCASTING SERVICES—*Cont.*

(Empire Countries Excluded)

(Extracted from International List of Broadcasting Stations and Latest Supplements,
dated August 9, 1941)

Country	Number of Stations			Total
	Low Power (up to 5kw)	Medium Power (5 to 24kw)	High Power (25kw and over)	
Macau	1			1
Madagascar	1			1
Martinique	3	3		6
Mexico	15	2		17
Morocco		1		1
Mozambique	2	1		3
Netherlands Indies.....	3	1		4
New Caledonia.....	1			1
Nicaragua	11			11
Norway	1	1		2
Panama (Rep.)	9			9
Paraguay	1			1
Peru	7	2		9
Philippines	4		1 (60kw)	5
Portugal	2	2		4
Roumania	1			1
Spain		1		1
States of Levant (Fr.)..	1			1
Sweden		2		2
Switzerland		1	1 (25kw)	2
Thailand	2	1		3
Turkey		1		1
U.S.S.R.		5	1 (100kw)	6
U.S.A.		4	1 (25kw)	13
			1 (35kw)	
			4 (50kw)	
			1 (75 kw)	
			2 (100kw)	
Uruguay	10	2		12
Vatican City.....			1 (25kw)	1
Venezuela	19	2	2 (30kw)	23
Yugoslavia	1	1		2
Total.....	240	63	30	333

WORLD SUMMARY

	Number of Stations			Total
	Low Power (up to 5kw)	Medium Power (5 to 24kw)	High Power (25kw and over)	
Empire Countries.....	23	11	1	35
Other Countries.....	240	63	30	333
	263	74	31	368

73 countries have 368 Shortwave Broadcasting Stations.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

June 17, 1942.

The Select Committee on Radio met this day at 10.30 a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: Order, please; Mrs. Casselman and gentlemen, having a quorum we will proceed with the meeting and with Major Murray.

Major W. E. GLADSTONE MURRAY, recalled.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, just two preliminary notes.

The committee will recall that additional information was given on schools broadcasts in the evidence on Tuesday, June 9, printed on page 342 of the record and the following pages. It is stated there that participation in the national schools broadcasts had been agreed by the provinces of British Columbia, Nova Scotia and Saskatchewan. Yesterday I had a report from Mr. R. S. Lambert, who is handling these negotiations, stating that New Brunswick, through the Hon. C. H. Blakeny, Minister of Education, and Quebec (that is, English speaking Quebec) through Dr. Percival, the Director of Protestant Education, have also accepted the plan and are now working on their contributions. Progress has also been made with the province of Manitoba which has accepted the plan in principle. The Hon. Mr. Schultz, Minister of Education for Manitoba, writing June 10, says:—

We feel that broadcasts of this type are one of the most desirable methods of developing a spirit of Canadian unity; we considered that this was so important that we would be prepared to relinquish all of our proposed local broadcasts for the purpose of co-operating with such a plan.

That ends the quotation. That brings the information up to date on the progress of school broadcasts.

By Mr. Coldwell:

Q. May I ask a question? Who is in charge of the school broadcasts?

—A. We have on the organization side Mr. Delafield and on the consultative creative negotiation side, Mr. R. S. Lambert.

Q. You say Mr. Lambert is negotiating these programs?—A. Yes.

Q. How long has Mr. Lambert been in Canada?—A. About four years, between four and five years.

Q. What experience has he had in connection with our Canadian educational system which differs so radically from that of Great Britain?—A. He has made a more intimate on-the-spot study of Canadian education than anyone else in my experience in Canada in the past four years.

Q. Is there nobody in the Dominion of Canada in the educational field who could undertake that job?—A. That is possible, but I have not as yet discovered one who could be secured on terms similar to those on which we got Mr. Lambert.

Q. Is Mr. Lambert on your staff?—A. No, he is a part-time employee.

Q. A part-time employee?—A. Yes.

Q. What is his exact position?—A. He is consultant on schools radio in general.

Q. Is he paid a salary?—A. He is paid a retaining fee. I have forgotten exactly how much but if you would like I shall have that brought forward—

Q. I would like to get it now if I can. This thing is dragging and I do not want to see it drag any longer. We go from day to day and we get memoranda here and it is dragging too much.—A. I shall have that information in a moment.

By Mr. Claxton:

Q. In addition to his retaining fee does he receive anything else from the C.B.C.—A. Yes, he gets paid for his weekly talk, "Old Country Mail."

Mr. COLDWELL: Which is a very good talk.

Mr. CLAXTON: Pardon?

Mr. COLDWELL: Which is quite a good talk.

The WITNESS: That information will be available in a minute. May I proceed if it is brought forward in a moment? I do not happen to remember the exact amount.

By Mr. Claxton:

Q. Does he do anything else for the C.B.C. for which he receives payment?—A. Not that I recall.

Q. No writing—A. Oh, yes, he does. That is on an ad hoc basis, special writing jobs assessed each on its merits. There is no standard arrangement.

Q. What writing has he done for the C.B.C.—A. The most notable writing he has done for us is that series of pamphlets about the five years of achievement.

Q. How many pamphlets were there—A. Eleven.

Q. Did he do all those?—A. He did them all except the one in French.

Q. So that in addition to his retaining fee as a consultant on education he gets paid ad hoc for writing jobs including those eleven pamphlets?—A. Yes.

Q. And also for his broadcast "Old Country Mail"?—A. Yes.

Q. Does he get any other remuneration from the C.B.C.?—A. There is no other remuneration. He is a very skilled writer. His retaining fee is \$275 a month.

By Mr. Coldwell:

Q. Then in addition to that— —A. He gets paid for his—

Q. Sunday broadcast?—A. He gets paid for his Sunday broadcast \$25 a broadcast.

Q. That is \$100 a month?—A. That is a week to week arrangement. That may be interrupted at any time. There is no contract on that.

Q. But it is on every week?—A. It has been.

Q. What about writing? How much is he paid for that?—A. That varies. Each writing job is assessed either so much a word or in consultation. He gets a rate of pay which is a good deal lower than we would have to pay to somebody outside. For example—

Q. What did he get paid for the pamphlets?—A. That will take a little checking to get the exact figure.

Q. Could you give us the total amount paid to Mr. Lambert in fees and all other expenses? Has he been with you four years?—A. I do not think he has been with us four years. He was a year in this country before we employed him. He was here some time, anyway.

Q. Three years?—A. Three years.

Q. Would you give us the total by years of the payments made for other services rendered and expenses in connection with that?—A. Yes.

Q. I want to ask another question about this. Mr. Lambert has been in the country four years, has been with the C.B.C. three years. What particular training has he had in the educational field to undertake this work?—A. Well, he was an expert on adult education in the United Kingdom before he joined the B.B.C. in my time. He was very highly recommended. It was on that account that the B.B.C. took him on, and he was put in charge. He was then in charge of adult education for the B.B.C. and he was transferred from there, at the time I started *The Listener*, to be its editor, chiefly because he was considered the most competent person to give the necessary printed-word support to the educational work which the B.B.C. was developing.

Q. He was connected with adult education. Speaking now as an educationist myself, I would say that would not qualify a man to supervise school broadcasts. A man needs to have some knowledge of the internal organization and the methods used in modern schools. What experience has he in that particular?—A. Well, not so much, I agree. But he acquired considerable experience in co-operation with Miss Mary Summerfield who was in charge of school broadcasting of the B.B.C. He also worked with her, as well as on the adult education. He is a university man, and I believe he has had some teaching experience of his own, although I cannot swear to that. He is a specialist in the general field, but he has also some knowledge, some specific knowledge of school broadcasting, and I am convinced myself that he has really expert knowledge of conditions in Canada. Perhaps a good example of that is the extraordinary progress which he has made in the negotiations in the past month since this committee started and since my first report was made. He has been down in New Brunswick. He has completed successfully negotiations there; the same thing in Quebec and now in Manitoba. He is carrying on now with Alberta. He has achieved quite extraordinary results as a negotiator with these various educational authorities. I have yet to meet any complaint.

By Mr. Claxton:

Q. You referred to a committee. Which committee is that?—A. This committee, the parliamentary committee.

Q. Since this committee was started?—A. Yes.

Q. Negotiations have been under way since this committee started?—A. Yes. I made a report this morning which covers the work of the last fortnight.

By Mr. Coldwell:

Q. The last fortnight?—A. Yes; because the report which I read was dated yesterday.

Q. Has this school project been initiated since this committee began to sit?—A. No. It has been in progress for a long time. But I have given interim reports as it has developed. It is a new feature, and one which we have been working on for some time and on which we have used him as a negotiator working under our administrative officer, Mr. Delafield, who is in charge of institutional broadcasting in general and who has not got the time to negotiate, and has resulted in the quite revolutionary development in Canada; that is, national schools' broadcasts.

By Mr. Claxton:

Q. You say that Mr. Delafield is in charge of institutional broadcasting?—A. Yes.

Q. Does he come under Mr. Bushnell?—A. Yes.

Q. The director of the program department?—A. Yes.

Q. Does Mr. Lambert come under Mr. Bushnell too?—A. Yes, certainly.

By Mr. Coldwell:

Q. Then Mr. Bushnell is really in charge of this project?—A. Mr. Bushnell, as general supervisor of programs, is responsible for the whole operation.

Q. Did Mr. Bushnell choose Mr. Lambert for this particular job?—A. Mr. Bushnell agreed that Mr. Lambert would be the ideal consultant in the capacity in which he is now operating. I discussed this matter with Mr. Bushnell and he thought it better to use Mr. Lambert in this way rather than to employ him as a regular member of the staff.

By Mr. Claxton:

Q. Did Mr. Bushnell make any objection to his employment as a regular member of the staff?—A. We discussed the matter. I do not know whether objection came from him or came from me. I do not recall that. I do not know that there was objection. I think it was the natural way to use a person of Mr. Lambert's special qualifications, who had been not so very long in Canada.

Mr. COLDWELL: Speaking as one with some practical experience of the two school systems, I would say they differ very considerably. The British school system is entirely different from the Canadian school system. It seems to me that if you are putting into effect school broadcasting, you would be well advised to have someone who has actually done school work in Canada, in the schools themselves.

By Mrs. Casselman:

Q. Did I not understand that the actual material that comes out is to be provided by the committee on education from the provinces?—A. All the material comes from the provinces, and it is all under the control of the provincial departments. These negotiations are co-ordinating negotiations; and the prime requisite in the person that is handling it is a real cultural background, an ability to negotiate, and a detachment, if you like, from any association with any particular part of Canada. In that respect, of course, there is some advantage in having one who has not been associated with a particular part of Canadian education.

By Mr. Bertrand:

Q. In your last sentence you said something to the effect that there is a particular advantage in not having been connected with a particular part of Canadian education. What is that?—A. Because it is easier to co-ordinate nine differing systems; and in fact—I am only giving the result of experience—the progress has been quite exceptional. There is no question of his imposing ideas from outside Canada. What he has to see to is that there is effective co-operation, and that each educational authority in Canada makes its due contribution, smoothly and agreeably.

By Mr. Coldwell:

Q. Did Mr. Lambert come to Canada at your request?—A. No. He came to Canada on his own, because he decided that he wanted his family to grow up as Canadians. When he came to Canada, in the first part of his period here, he was associated with the adult education movement in Toronto; and of course, he does a lot of writing. He is an author of distinction. But that had nothing whatever to do with me.

Q. Have you any other people who have the same relationship to the staff; I mean, have you any other commentators who are paid a retaining fee? For example, have you any outstanding men like Mr. Ferguson of the *Manitoba Free Press* or Professor Stewart of Dalhousie? Have you any others to whom you pay a retaining fee?—A. No. There are no retaining fees paid, as far as I know. That is all paid on an occasion basis. I covered commentators in my previous evidence.

Q. You do not pay any retaining fees to any other commentators other than Mr. Lambert?—A. I think that is right. Am I right there?

Q. Do you pay a fee to Mr. Farrell?—A. No.

Q. What do you pay Mr. Farrell?—A. He gets paid \$25 a talk.

Q. And no retaining fee?—A. No. He did get one for a period.

Q. He did?—A. For some time. But that is quite a long time ago.

Q. What was the retaining fee?—A. We shall have to look that up. It was not substantial. I have forgotten what it was.

Q. I think perhaps, Major Murray, that these questions are ones which naturally come up. They are dealing with matters that have been before the committee, and therefore the information should be more readily available than it is, I think.—A. Well, it is a million to one shot.

Q. I did not get that. It is which?—A. It is a long shot, if I may be permitted to use a racing expression. The permutations and combinations of questions are numerous.

Q. Yes, I agree with that. Still, we had these questions regarding commentators before, and I think it is probably natural that a question of this type might arise. Do these gentlemen act in any other capacity such as public relations officers for the corporation?—A. No.

Q. Did Mr. Lambert at any time approach the University of Toronto and ask for the dismissal of a professor there?—A. Not to my knowledge.

Q. Not to your knowledge?—A. No.

By Mr. Graydon:

Q. You spoke about permutations and combinations, Major Murray. You have a pretty big staff here every day. I notice that the ministers, when they are being questioned in the house, have about two in front of them; and it is very rarely that we have to wait for an answer with respect to matters that are so fundamental as these questions which have been asked here today. Either these men who are gathered about here—and there is quite a regiment, morning after morning—should not be here and taking up their valuable time, or else they should have the information at their finger tips. They have had three years to get this information into shape, because it is three years since we had a committee meeting on radio matters. I think they ought to have the information available here, because they knew this parliamentary committee was meeting. I fancy there should be no difficulty at all in having questions answered promptly.—A. I have one point here I can give you. First of all, on this particular point of Mr. R. S. Lambert's writing fee, it was \$761.50; his travel in connection with those booklets was \$70. That is, \$851.50 for the booklets. I shall have that added to the complete picture which we shall draw up, of everything he has received since he became associated with the corporation.

The CHAIRMAN: I suggest that we allow Major Murray to complete this supplementary statement which he was making, and that we take up the business for which we said we would meet this morning, namely the Plaunt and Thompson report.

Mr. COLDWELL: Mr. Chairman, may I say this. We have listened to a long memorandum for several days, and I am not sure that that is a wise method of procedure, because something that you wish to query escapes your attention after awhile and it is buried. If I may do so, with due respect to the chair, I would suggest that when we come to the end of a section in this memorandum, we be permitted to question Major Murray upon these sections.

The CHAIRMAN: Whatever you wish. I am just as anxious for a clean-up as any of the members of the committee. However, I thought if we would start on the Plaunt and Thompson report and get them cleaned up and off the agenda, then we could take up, in some sort of consecutive order, the evidence which Major Murray had given and get it cleaned up. However, I am in the hands of the committee.

Mr. COLDWELL: We will try to reduce our questions.

The CHAIRMAN: I am not interfering with the questions. It is more to have some orderly method followed.

Mr. COLDWELL: I understand your point of view, Mr. Chairman, and I am not disagreeing with it altogether.

By Mr. Claxton:

Q. There is just one thing I should like to mention, just to complete or at least to follow a remark of Major Murray on Mr. Lambert's employment. I think he said something to the effect that this form of employment is considered more appropriate for somebody who had been not so long in Canada. Does that mean that you did not think he was suitable for permanent employment?—A. I think that might come up later. I mean, we go through stages in this matter. We had to use the human material that was available at the moment to get on with the job. It was my considered opinion that this arrangement was the best that could be done; and I stand on the basis of these results of it so far.

By Mr. Coldwell:

Q. Was this taken up with the Board of Governors?—A. Yes; very much so.

Q. And they approved of this?—A. Yes; very much so. They very specifically approved of this arrangement.

By Mr. Graydon:

Q. Are you speaking of the Board of Governors?—A. Yes.

Q. Or this so-called finance committee?—A. The Board of Governors. That has been under review on several occasions.

By Mr. Coldwell:

Q. You say that has been under review on several occasions?—A. Yes. Well, as all other appointments and arrangements, at one time or another.

By Mr. Claxton:

Q. Has there been any objection to Mr. Lambert's employment?—A. No.

Q. From any source?—A. No.

By Mr. Graydon:

Q. On the question of new appointments, have you or Dr. Frigon the power to make appointments or do all these appointments have to await the pleasure of the finance committee or the Board of Governors?—A. We have no power to ratify appointments. We can, under emergency—

Q. I did not catch that. You have no power to do what?—A. To ratify or confirm appointments. Under emergency, we can appoint people provisionally, but the authority of appointments rests with the Board, on the recommendation of the finance committee.

Q. Does that mean that before a person can be appointed to any position on the C.B.C. he has to wait until such time as the Board of Governors' meeting is held? Does it mean that no appointments can actually be confirmed or ratified or made until such time as the Board of Governors' meeting is held?—A. Well, that is certainly true about all confirmations.

Q. You cannot actually, then, enter into an arrangement with an employee of the C.B.C.; that is, you cannot definitely make an arrangement with him until such time as the Board of Governors meets?—A. Perhaps I should modify that statement in this way. There has now been a chart of positions, an established chart made. It may be produced if necessary. All positions are

laid down as a sort of establishment. Where a vacancy occurs in the established chart, the executive is authorized to go ahead and fill the vacancy that has arisen.

Q. In every case?—A. Subject again, of course, to the approval of the finance committee.

Q. Would that not, in actual practice, mean a considerable delay in connection with the business and entail uncertainty with respect to it?—A. I think it has one of the results which it was intended to have. It slows it down, by the introduction of another sieve. The considered attitude of the Board has been that the business grew too rapidly. Of course, the right person to talk to about this is Mr. Nathanson, who was most concerned about the salary list, or the salary total not getting out of proportion in relation to other parts of expenditure.

Q. What is Mr. Nathanson's special position with respect to that?—A. Chairman of the finance committee.

Q. And they meet how often?—A. They meet whenever it is necessary. It is very rare that two months go by without their meeting. I think they average about one in six weeks.

Q. I do not like this sieve system, if I may say so; because you have been putting everything through the fanning mill here pretty well, and when it gets finally through this sieve perhaps you have not got very much grain left. I can readily understand that in many of these instances the C.B.C. perhaps want to employ a certain person. He may be available only for a limited length of time. Certainly that is the situation to-day in most lines. If a man is any good, he is picked up by somebody very quickly. I should think it must be a source of very great difficulty on the part of both yourself and Dr. Frigon to have these delays before a man can actually be appointed. Have you any suggestions to make with respect to that, Major Murray, from a practical standpoint? We as a committee are anxious to see that this thing is done right. It would be very interesting to have your comments with respect to that.—A. Well, as I was supposed to be the architect of the capriciousness which these sieves are supposed to prevent, I cannot speak impartially about this.

Q. I understand that.—A. But of course, in any organization there comes a time—and maybe this organization has reached the stage; I have certainly seen it in others—where the checks and balances, by virtue of the caution which can be justified on the grounds of prudence, become embarrassing to operation, expansion and flexibility. I do not say that that point has been reached, but it is certainly a matter for study and the kind of independent inquiry which this committee is in the best position to make. The checks and balances are meant to establish safeguards financially. At what point those checks and balances should themselves be checked, I really cannot say. Of course, naturally being human, I would like to have the authority to work on my own instinct. But that is not in accordance with the best tradition of prudent management.

By Mr. Tripp:

Q. Do you select the gentlemen and then are they approved by the Board of Governors? Is that the operation?—A. Well, first of all, there are a number of positions which have been laid down on the establishment. The budget is built on the basis of those positions. Replacements are nominated by the executive; and if it is a question of replacing or filling a vacancy, certainly in the junior ranks of the service, the procedure of confirmation is automatic. If, however—and this is where the difficulty comes in, and it will be a difficulty for some years, if not always in a business like this—you get a new project, you get something quite different which requires a change in your basic structure of

organization, and you want more appointments in one department than you had contemplated would ever be necessary there, that basic change must be ratified by the finance committee and then by the Board of Governors. In other words, no new appointments can be made, no alteration of the fundamental structure. Of course, the danger is of freezing the whole thing. I do not say that point has been reached, but I do say there is the constant danger of the checks and balances defeating their purpose—not by attaining prudent administration, safe balances and so on, but by attaining a creeping paralysis. But that is a thing that I do not know that you can find any absolute formula for. It is a question of constant revision and re-examination. It is probably one of the functions which should be performed; and it would be to the enormous advantage of the broadcasting service, were it to be laid down that there should be a committee of this kind every year.

By Mr. Graydon:

Q. In view of the fact that two years did go by without a committee, may I ask was that policy followed by the government at the instance of the management of the C.B.C.?—A. Not having a committee?

Q. Yes.—A. Well, Mr. Chairman, I think I should like to call Mr. Graydon's attention to my evidence.

Q. I remember very distinctly what your evidence was, Major Murray. But I am asking you the question on this point.—A. Quite definitely not. As the years went by, I was painfully conscious of the disability which would be imposed ultimately by the absence of such a committee.

Q. I should think that would be the case. I think that the evidence which has come out at this committee shows very clearly that some of the things, in any event, which transpired in these intervening years and which apparently have now been emphasized as real problems, perhaps might have been avoided had a parliamentary committee had the opportunity of investigating. You sat in at the Board of Governors' meetings in each case, except one or two—if I recall Mr. Morin's evidence aright—which were held in camera. I think those had to do with some special matters in connection with management. Did anything transpire at the Board of Governors' meetings whereby they recommended against an annual meeting of the parliamentary committee?—A. Certainly not. I am absolute in my recollection that while I was present there was nothing said of that nature.

By Mr. Coldwell:

Q. Well, there was a great deal of pressure brought to bear upon the minister in charge in 1940 and 1941 for a parliamentary committee, and it was refused as unnecessary. On whose advice did the minister say it was unnecessary?—A. I do not know, honestly.

Mr. BERTRAND: I think that question should be asked of the minister.

By Mr. Coldwell:

Q. What I am trying to get at is this. The Board of Governors must have taken some cognizance of the fact that there was pressure being brought to bear in the house for a parliamentary committee.—A. The matter was not discussed in my presence by the Board.

Q. Yet the Board would know that there was anxiety in the house, and that there were certain statements made in the house which, I would imagine, the Board of Governors would wish to have cleared up. I mean, I made them myself.—A. Well, I think, Mr. Chairman, that that is a question which should be directed to a member of the Board; because I have no knowledge of any discussion of this matter in the Board.

Mr. GRAYDON: I think perhaps that is so.

Mr. COLDWELL: Yes.

Mr. GRAYDON: It is perhaps rather unfair for us to proceed to any depth in examining you with respect to that particular matter, Major Murray. But certainly it has been one of the most amazing things. It is an almost inexplicable sort of position that the government has taken with respect to the matter of calling this committee year by year. If there had been no disposition on the part of members of the house to ask for a committee, perhaps there might be some excuse or valid reason for not having it. But I know that Mr. Coldwell and myself, in both years when there was no committee called, actually asked when the committee was to be convened and urged that it be convened. Actually this year, in this session, the government did not set up the C.B.C. committee until it had been asked for; I am not sure whether it was Mr. Coldwell or myself who did it first, but certainly both of us did ask for it, as well as the leader of the opposition. However, I do not wish to examine you on point, because I do not think perhaps it is fair that you, as an employee of the C.B.C., should be subjected to that type of examination; and I do not want to be unfair.

Mr. BERTRAND: Well, he has been subjected to these questions for quite a long time. If it is unfair, you had better change.

Mr. GRAYDON: Oh well, Mr. Bertrand need not take that position with respect to it; because I am speaking of how much further I could have gone. I am not suggesting that there is anything unfair about the questions I have asked up to the present time. But I think, if the committee wants to examine Major Murray further, perhaps it would be unfair. I think my position should be made clear with respect to that.

Mr. BERTRAND: I was using your own words.

Mr. GRAYDON: You were using your interpretation of my own words, if I may say so.

By Mr. Bertrand:

Q. I should like to ask a few questions about Mr. Lambert, because it is a matter which has been left pending. Have you ever had any complaints against the employment of Mr. Lambert by any educational body in Canada?—A. I have no recollection of it. I will consult the records. I am assured that there is nothing.

Q. Did anybody express the opinion that they were not satisfied with his employment?—A. No.

Q. Did you get any favourable comments?—A. Many.

By Mr. Claxton:

Q. Favourable comments from listeners, I take it?—A. Educational authorities as well.

By Mr. Coldwell:

Q. I asked a question just now as to whether or not you had any knowledge of Mr. Lambert acting as a public relations officer on behalf of the Board? Have you any knowledge that Mr. Lambert approached the president of the Toronto University and objected to articles that were appearing in the Canadian Forum, and which were alleged to have been written by a professor in that university?—A. I had knowledge of that after the event; but he did that in his private capacity. It certainly had nothing to do with me personally or with the corporation. I had knowledge of that only long after the event.

Q. I suppose you know that the professor who was attacked in that way did not write the articles? I know that.—A. Well, I had no knowledge of the thing at the time or until some months afterwards.

Q. Do you think it is wise for a man who has a retainer from the C.B.C. to go to the president of the university and object to a professor writing articles critical of the C.B.C.?—A. Certainly not; and that view was expressed at the time.

Mr. GRAYDON: What kind of articles were they?

Mr. COLDWELL: Articles critical of the C.B.C.

The WITNESS: They were critical of him, I would think.

Mr. COLDWELL: They were not written by the professor who was alleged to have written them. They appeared in the Canadian Forum.

Mr. BERTRAND: They were written by whom?

Mr. COLDWELL: They were unsigned.

Mr. CLAXTON: They were signed "Hall", were they not?

Mr. COLDWELL: I do not remember.

The WITNESS: There was the question of possible libel involved, I am informed; and the articles were attacking him personally. My own recollection is not definite in the matter.

Mr. COLDWELL: I think I have the articles here. No, I have left them upstairs in my room.

The WITNESS: Had he been a full-time employee of the C.B.C., subject to the ordinary discipline, he would have had to have permission to take any such action as that. As it happens, he is free to do what he likes to protect his own interests. But I advised him later, when I discovered it, that it was not in his own interests, and certainly not in the interests of the corporation, that he should take that kind of step, if indeed he did so.

Q. I am glad that was done.

By the Chairman:

Q. The C.B.C. could not be held liable for his utterances when he was only a part-time employee. Is that right?—A. Well, he does not come under our discipline at all. We have very rigid rules as to what is proper and what is not proper for all members of the staff, in the matter of dealing with the public, newspapers, or making statements in any way representing the corporation.

By Mr. Graydon:

Q. Just before you commence your statement there, I wish to come back to the matter from which we deviated a few moments ago, and that is the machinery by which these new appointments are made. They are outside, as you said, of the structure set down in the chart, and constitute perhaps new departures, if you like, due to changing conditions and consequent changes in policy relative to appointments in the C.B.C.—A. Yes?

Q. Those appointments have to be ratified by the finance committee. In some cases I take it there is a little distinction. There is a distinction in some appointments where the finance committee takes the responsibility and then the appointment is made; and in other cases, I suppose those of a major character, the Board of Governors themselves must then approve of what the finance committee does. Is there a distinction between certain positions as I have outlined? That is, the finance committee makes or definitely approves those and then the appointment goes through; and then are there other cases where the Board of Governors must finally approve of them before they are appointed?—A. Well, it is a distinction more in practice than laid down. It is a distinction which I think may be described thus: clerical or junior appointments in general, appointments below the rank of departmental chiefs, would go through automatically with the authority of the finance committee, although even in that case they are reported to the Board. The procedure is developing, but it is more or less automatic.

Q. But you could make a contract with that party?—A. Yes.

Q. After the finance committee has approved?—A. Yes.

Q. Are there some cases where you cannot make a contract with that party until the Board of Governors have approved?—A. Oh, certainly. Under the old organization, the original organization, I could make a contract with anybody up to a salary of \$4,000 a year, without going to the Board or any of its committees. Of course, that power has gone from me now. The new arrangement, so far as salary distinction is concerned has not been defined. But in practice it is working out that the finance committee covers the minor ones and they are passed by the Board automatically. The more important ones—and not necessarily above a salary of \$4,000, but of some general importance in the business—would have to be considered by the Board.

Q. Take the question of any minor appointment; for instance, a clerk in one of the departments. What happens practically in the case of an appointment there?—A. If there is a vacancy, it is automatic.

Q. I see.—A. But if there is no vacancy, it is a long battle.

By Mr. Tripp:

Q. Does the selection of this personnel originate with the Board in any case and then it has to come back to you for approval?—A. I beg your pardon?

Q. Does the selection of any of this personnel originate with the Board?—A. There has been no case in my experience of any suggestions. I do not recall any suggestions from the Board for appointments.

Q. Then the selection really comes from you in the first place?—A. There are lots of suggestions from the Board for artists. They are human like everybody else.

Q. I was just wondering about this. You talked about those appointments. I was wondering if it was by mutual arrangement—if the personnel is selected by mutual arrangement or whether it originates from you and is approved by the Board or whether it originates from the Board and is approved by you or how it is done.—A. It originates almost entirely from the executive staff. I cannot say absolutely, but I cannot call to mind any appointment that was made on the initiative of the Board. The Board is an approving body, not an initiating body.

Q. In the case of Mr. Lambert, for instance, where did his appointment originate?—A. From me.

By Mr. Graydon:

Q. Would you have the right to hire Mr. Lambert under the present set-up of the Board? I suppose he is called an artist, is he?—A. No. He is a consultant.

By Mr. Tripp:

Q. I think that is quite proper. The selection was made by you and approved by the Board?—A. Yes. It was approved by the Board.

By Mr. Graydon:

Q. Mr. Tripp perhaps does not quite understand my point. I did not make it very clear. The hiring of the personnel and the establishment is under the control of Dr. Frigon, as I understand it, not under your control, unless it comes within the questions of the hiring of an artist.—A. The program department, public relations, press and information, all that staff, the creative staff in general and the publicity and policy staff are my immediate concern.

Q. You have the right of hiring and firing in those departments?—A. Provided I remain within the positions as approved.

Q. Yes, quite. As you say, any new position, of course, is a matter of pretty well battling it out with the finance committee.—A. Yes.

Q. I should like to make this suggestion and you may comment upon it, if you like. I do not want to embarrass you. But it seems to me that in cases of this kind, the evidence has been fairly clear before the committee as to the methods which must be employed in handling matters of this kind in the C.B.C., which, as has been so frequently pointed out before the committee, is a new type of business which must be modelled in such a fashion as to meet rapidly changing conditions which develop almost overnight. It seems to me that the present structural set-up or the sieve system, if you like, which has been used as an example, ought not to be employed in this type of work beyond certain general controls; because when new people have to be appointed, it seems to me that the C.B.C. must, on many occasions, be at a great disadvantage in attempting to hire people for new positions which have been rendered necessary because of the rapid change and development in the very nature of things in the business. I think that having to go before the finance committee which only meets once a month or once every two months, as the case may be, would put you at a disadvantage. I am rather inclined to believe from the evidence that has been so far adduced—although one may change his mind as time goes on, hearing the evidence adduced from time to time—that above you and Dr. Frigon is a great need for one boss of this corporation who has some say finally as to the policies and the directional methods to be pursued by this corporation. There is one thing which has become crystal clear, I think, in this whole investigation; and that is the fact that you have not got the man at the top who has the say quickly and in a decisive manner that most businesses find is absolutely essential and necessary to their proper carrying on of business. If you, Major Murray, care to comment on that, all right; but I am not asking you to do so, because I realize it is a matter that perhaps you may not feel free to express your opinion upon.

Mr. BERTRAND: If I may make a comment on this, I would say it would then be a one-man corporation.

By Mr. Coldwell:

Q. May I interject this question. Did you have the power that Mr. Graydon has outlined before the change in the bylaws?—A. Yest, except for jobs of more than \$4,000 a year. It was in the old bylaw. Shall I read that?

Q. I do not think it is necessary to read it. I just wanted to get your opinion. And you exercised those powers?—A. Yes.

By Mr. Graydon:

Q. If I may continue on this particular point, I should like to do so because I think it is most important. I think it goes to the root of the whole success or failure of the broadcasting corporation. I did not have in mind having a one-man corporation, although my remarks might perhaps be, and have been misconstrued by Mr. Bertrand, to that effect. But I do think that it would be of great value and benefit to the business of the corporation if the chairman, if you like, of the Board of Governors, were to be enabled to give a good deal more time than Mr. Morin at the present time is able to give it, because there is really the head of the broadcasting corporation, under normal arrangements and conditions. It seems to me that when there is something that comes up, he ought to be able to take the responsibility; he ought to be close enough to the actual workings of this corporation so that when there is something comes up normally, as has been suggested does in this type of work, that you and Dr. Frigon ought to be able to go to the chairman of the Board of Governors and say, "Here is a matter which needs quick decision. We cannot wait for the finance committee. We cannot wait for the Board of Governors' meeting. What about it?" And the chairman of the Board of Governors says. "Yes, go ahead, on my responsibility. I will discuss the matter later with the Board of Governors. At least I can realize there is some decision necessary." That is what I had in mind with respect to the

whole matter of having a boss actually available at all times and who had his eye definitely on the work and who could make these necessary decisions. The system in the present structure many mean delays, with too many sieves through which the business may perhaps finally be lost sight of.—A. Mr. Chairman, I should like to make one comment which is I think is proper from the constitutional angle. This idea of having an executive chairman was considered very carefully and over a period of years in England. As a matter of fact, in the old British broadcasting company, Mr. Reith as he was then, later Sir John Reith and now Lord Reith, began as general manager. This point was raised in 1923 and he was made managing director of the board so that he became virtually the executive chairman of the old British broadcasting company. When Lord Crawford's committee was appointed to draw up a charter for the British Broadcasting Corporation in 1925, this matter was considered at great length, and the fundamental constitutional issue was raised, which was this: that the Board of Governors, being legislative, must be separate; being political must be separate. Therefore, you cannot have an executive chairman. It is a check and a balance, in a sense between your executive and your legislative functions. It was at the time agreed that Sir John Reith should not be a member of the Board of Governors under the Royal charter of 1926. He was made director general but was not given a seat on the board, although it was the desire of those who thought with him that there should be a director general virtually executive chairman of the corporation. There were several judges on this commission or on this committee, and the basis on which they came to this conclusion was that the right function for the board is impermanent public trustees, safeguarding the public interest in the general sense. They said, "The moment you make a chairman of the Board of Governors the executive chairman, the public interest is not adequately safeguarded." That is the danger which has been worked out there. That is the only comment I have to make, because it is the result of experience.

Q. Yes. But Major Murray, the situations are not parallel, as I see it. That would be all right, if you had a boss down below. But you have not a boss down below in this case. You have two bosses. The result is in addition to that you have the order in council of April, 1941. Actually, if what you say is correct with respect to the British system, then I do not see how it could be possible that the executive committee, which is a committee right out of the Board of Governors—directly contrary to what the British system is,—is given not just a question of legislative function or policy making, but the by-laws say definitely they have that power to manage the affairs of the C.B.C. If one is right, then the other must be wrong. Surely if the executive committee, which is to manage the C.B.C., is to be taken out of the Board of Governors, as the by-laws of 1941 call for, it seems to me there is nothing wrong with the principle at least of having some closer supervision by the Board of Governors upon the work of the management of the C.B.C.; or else let us have one boss down below or one boss up above. But when you have bosses above and bosses below, nobody knows who is boss. That is all I have to say with respect to that.

The CHAIRMAN: Then will you proceed, Major Murray?

The WITNESS: Well Mr. Chairman, I do not want to read these notes, but I should like to have them put into the record, with your agreement. They are the plans for "Army Week". They illustrate the share that broadcasting will play in this matter.

By Mr. Graydon:

Q. Is that very long?—A. Do you want me to read it?

Q. The only thing is that I agree with the chairman here.—A. I do not want to read it.

Q. We do not want to keep you on the stand a great deal longer, and there are a number of important matters that the committee might perhaps deal with before they go on with that.—A. My suggestion was that it be included in the record.

The CHAIRMAN: That will be included in the record.

The notes referred to by Major Murray are as follows:—

“ Army Week ”

The following is a list of special network programs being planned by the Corporation during Army Week, 28th June to 5th July inclusive.

(1) Sunday 28th June, 10.15-11.00 p.m. E.D.T.:

On Guard for thee, Toronto to the National network: A feature program including actuality items and probably message from Lieutenant-General McNaughton.

(2) Monday 29th June, 10.15-10.30 p.m. E.D.T.:

Special broadcast from the Canadian Army Overseas by the C.B.C. Overseas Unit. There are no details available on this as yet. It will be relayed to this country by beam telephone, and will go to the National network.

(3) Monday 29th June, 12.00-12.30 a.m. E.D.T.:

Songs of Empire, Vancouver to the Western network. On this occasion the program will be specially prepared for, and dedicated to, the Canadian Army.

(4) Tuesday 30th June, 12.00-12.30 a.m. E.D.T.:

The play presented in the “ Theatre Time ” series from Vancouver to the Western network will be specially suited for performance during Army Week. It is “ Look Down ” by Len Peterson.

(5) Wednesday 1st July, 8.30-9.00 p.m. E.D.T.:

The concert of the “ Canadian Grenadier Guards Band ” on this date from Montreal to the National network and M.B.S. will be arranged as a special program for Army Week.

(6) Wednesday 1st July, 10.15-11.00 p.m. E.D.T.:

The “ Canada Marches ” program from Toronto to the National network on Dominion Day will be in the form of a special tribute to Canada’s Army and to Dominion Day.

(7) Thursday, 2nd July, 10.15-11.15 p.m. E.D.T.:

This will be the first of the Montreal open air symphony broadcasts from the Chalet on Mount Royal. The concert will be fed to the National network. The Corporation is arranging that the concert on this date will be specially arranged for Army Week. Members of the Army will be invited to attend the concert; there will be suitable music during the broadcast portion of the concert, and it is possible that soldiers will actually have participation in the broadcast in the form of singing appropriate melodies and songs.

(8) Thursday, 2nd July, 1.15-1.45 a.m. E.D.T.:

“ Music from the Pacific ”, Vancouver to the Mountain and Pacific networks: An all-Canadian program is planned for this date and will be presented with a special script in which Army Week will be shown not as a professional thing but as something representing all Canadian citizens.

(9) Friday, 3rd July, 10.15-10.45 p.m. E.D.T.:

"13th Infantry Brigade", Vancouver to the National network: A feature-actuality broadcast which, within the limits of the public interest, will tell something of the story of plans for defence of Canada's West Coast.

(10) Friday, 3rd July, 1.15-1.45 a.m. E.D.T.:

"The Army Sings", from Vancouver to the Mountain and Pacific networks, will feature contemporary Army songs and marches.

(11) Saturday, 4th July, 8.30-9.00 p.m. E.D.T.:

"Salute to the United Nations", from Vancouver to the National network, will present national songs of all the United Nations. This of course is "United Nations Day" during Canada's Army Week.

(12) Saturday, 4th July, 10.30-11.00 p.m. E.D.T.:

"Stag Party", Vancouver to the National network and the Blue: This will be a specially prepared program on this occasion to tie in with Army Week and with the fact that it is also Independence Day in the United States. It will be performed before an audience of soldiers which, it is hoped, will include members from the United States Army who will be in Vancouver on that day.

(13) Sunday, 5th July, 3.00-4.00 p.m. E.D.T.:

"Drumhead Service from Camp Borden" to the National network. This is the closing day of Army Week and it is to be known as the "Day of Prayer". From what is probably Canada's greatest military camp will be presented a delayed broadcast of the morning's stirring Drumhead service, with music by massed bands and an estimated twelve thousand soldiers participating.

Estimated cost to the C.B.C., \$5,000.

The WITNESS: Might the Plaunt and Thompson report be circulated, Mr. Chairman?

The CHAIRMAN: Yes.

By Mr. Coldwell:

Q. There is a matter which I wish to ask about. I was asking about certain suggestions that were made at the beginning of the war. That was on June 9. You promised you would have the records looked up and be prepared to let me have that information. I think you recollect what it was. I asked about it yesterday.—A. Oh, yes. You asked yesterday.

Q. Not only yesterday but I asked on June 9.—A. In particular about a telegram?

Q. Yes. I asked about a telegram.—A. May I answer that?

Q. Yes.—A. Looking at the records, I find that a meeting of the Board of Governors was called for 10.30 a.m. on September 6, 1939, by telegram from the secretary, Mr. Donald Manson. I find on my records here:

Memorandum of interview with the Minister, Mr. C. D. Howe, Friday, September 1, 1939.

When I told the minister about the board meeting on September 6, he said that he was very anxious to meet the board when they met. The date suggested would be inconvenient, if not impossible. He requested me to ask the chairman of the board to postpone the meeting until a later date mutually convenient.

Whereupon I sent the following telegram to the chairman of the Board of Governors, Mr. L. W. Brockington, in Winnipeg:

After wiring governors your message I was informed by minister he did not want a date set for board meeting. What shall I do? Should I wire governors saying stand by for later date to be notified soon as possible? Regards.

Then he telephoned me and said go ahead and do that. Then the meeting took place in October. I think the chairman has already explained about that, the chairman of the Board of Governors.

Q. Yes. There were certain changes made in the regulations adopted by the board—I am not going into that again—regarding political broadcasting. Who made those changes? I have never been quite clear about that.—A. The board. I thought I put the whole thing in during my evidence.

Q. No. The board apparently considered this in January.—A. Oh, yes.

Q. Was not a circular issued to the staff much earlier than the board meeting saying that, "Under war emergency measures the C.B.C. policy, which stipulated that time for political broadcasts during political campaigns was not available for sale, is suspended until further notice." What was the date of that memorandum?—A. I would like the note on that. Is there no date on your copy?

Q. No. I have not a copy. I have just a note here that I have had for some time. It is in my own handwriting.—A. I wonder if I could have a copy of that memorandum.

Q. I could give it to you. It is in my own handwriting.—A. I would have to check and get the exact date.

Q. What I was going to point out was this. It did not say, "Under the direction of the Board of Governors,"; it said, "Under the war emergency measures." I wondered what war emergency measures they were and when they were adopted. Did that refer to the government's war emergency measures?—A. It must have been, because there were not any others.

Q. Was an order in council or something passed by the government under the authority of the War Measures Act?—A. If I had the actual date and wording of that, I could check it.

Q. I think perhaps I have got it. I will look it up.—A. Without having the actual date of that, I cannot check it. There was, of course, a tremendous amount of activity then. I do not think I should answer that without really ferreting out the files and getting the answer from the correspondence.

Q. I think I have the original in my files.—A. If you will permit me to answer that when I have the date of it, I shall do so.

Q. Yes. If you will have it looked up in your files, I will look it up in mine.—A. Yes.

Q. The point I was getting at was this. Did the Board of Governors do this or did the ministry do this? If so, on what authority? Was it an order in council?—A. I see the point.

Q. Or was he exceeding his authority?—A. I see the point.

By Mr. Tripp:

Q. I should like to ask a few questions regarding news items, the collection of news items and their distribution over the C.B.C. Are you the proper person to ask those questions of?—A. Yes, I think so.

The CHAIRMAN: Mr. Tripp, could we not get started with these reports?

Mr. TRIPP: I just thought perhaps you were going to leave that.

The CHAIRMAN: No. The purpose of this morning's meeting is to deal specifically with the report of Mr. Plaunt and Mr. Thompson.

Mr. TRIPP: The only reason I asked it was because some of the other members thought they might forget something if they did not ask it now, and I am in the same position.

The CHAIRMAN: All right, go ahead.

By Mr. Tripp:

Q. In the collection of these news items, have you a reporter in the house here?—A. No.

Q. Where do you collect or get news regarding what is taking place in the house? Where do you get that?—A. We take it from the regular news services, from B.U.P. and the Canadian press and edit it ourselves. It has been a matter of policy not to have a C.B.C. reporter in the house. That policy may have to be changed as a result of the negotiations to which I referred yesterday. But we thought it better to take the news from the established agencies, so that there would not be any grounds for an accusation that we were biased in the handling of it.

Q. Mr. Ross of Moose Jaw brought up an instance in the house of a report that went over the C.B.C. about the actions of the house on a certain night.—A. Yes. That was investigated. It was a report from one of our sources, the Canadian press. I believe a correction was published. It was discovered that the original statement was accurate. They said twenty-five in the beginning—less than twenty-five; and the actual number in the house was twenty-three.

Q. I am not finding fault with that part of it, but rather with the comment on it. Was the comment a fair representation of the actual situation?—A. There was no comment given. It was just a news item.

Q. There was an inference there, anyway.—A. What was that? In the drafting of the bulletin?

Mr. COLDWELL: I think that Mr. Tripp is right in this regard. I think the statement is correct, that those were the members present.

Mr. TRIPP: I am not questioning that.

Mr. COLDWELL: I think what Mr. Tripp has in mind is this. There was a function outside that night and quite a number of members of the house were attending that function. It looked as though the members were neglecting their duty when, as a matter of fact, they could not get away from the platform. They could not get in the house.

Mrs. CASSELMAN: As a matter of fact, they could not get through the crowd. I was stopped on the other side of the crowd and could not get in at all until after it was over.

The WITNESS: That was not mentioned, I am informed. I did not see the item broadcast.

The CHAIRMAN: The whole basis was from the news report.

Mr. COLDWELL: I think that was the objection Mr. Ross made.

The WITNESS: That the extenuating circumstances were not given?

Mr. COLDWELL: Yes.

The WITNESS: We had not got that information apparently when the broadcast was actually made. We did not know that. The Toronto editors had no knowledge of the matter beyond what they received from the Canadian press, the statement of facts. We have taken that up. These things do happen occasionally, and we took that up as soon as Mr. Gordon Ross's protest was noticed. We took that up with a view to seeing that on any similar occasion we should get an opportunity of giving the extenuating circumstances.

By Mr. Tripp:

Q. Then again, when a member in the house makes a speech, who interprets that speech and sends out to the C.B.C. the interpretation of that speech? Where do you get that interpretation from?—A. We are supposed to get the actual

news from a skilled and unbiased reporter; and we are supposed to translate it into the form of words best suited for broadcasting, without bias.

Q. That is what I was wondering about, if you were getting it without bias.

—A. On the whole, and judging from complaints received, I think we are; because the complaints are fairly equally divided. The only real test of impartiality is where complaints are equally divided.

Mr. COLDWELL: I think, on the whole, the C.B.C. news reports have been fairly accurate.

By Mr. Tripp:

Q. I know. But they are taken practically right from the newspapers.—

A. Well, they are very carefully rewritten. As a matter of fact, if you will look at page 176 of the evidence, the whole doctrine is laid down there; the basic directive to the news staff is given. If you were to compare the actual copy from which the bulletins are drawn and the script of the bulletins, you would notice very marked differences in presenting it and also special care taken to be absolutely fair and impartial.

Q. At different times I have heard news broadcasts. Then I have picked up the paper the next morning and practically read the comment that was used in the broadcast, by commentators in the paper or news items in the paper.

Mr. COLDWELL: Is that on the C.B.C.?

Mr. TRIPP: On the C.B.C.

Mr. COLDWELL: On sponsored news programs?

Mr. TRIPP: It is over the news, at the end of the news, on each day.

The WITNESS: The practice of the private stations is to have one of the services only.

By Mr. Tripp:

Q. Personally I think that the C.B.C. should have its own reporter in the gallery and let him give his interpretation of the speeches. I think that would be better than taking them from the newspaper.—A. That was suggested in the B.B.C. and they burned their fingers very badly on it.

Mr. GRAYDON: I should think they would.

The WITNESS: If there is anything wrong with the present system, we should try to correct it. But my own experience leads me to think that, especially when there is tension in politics, it is better that we do not touch the thing directly.

By Mr. Tripp:

Q. Mr. Graydon has said that at times he might be prejudiced. I might be prejudiced too. But my interpretation of certain speeches made in the house was not the same as was given over the C.B.C., for instance, at times.—A. Well, there is the factor of human error there and of course that is something to be considered. I have been led to believe by fairly competent critics who follow this thing closely, that the only thing we really suffer from is the factor of error. Of course, if that got beyond a certain point, we would have to take remedial action. It is comforting to reflect that there is no calculated bias.

Mr. COLDWELL: From general experience, I would say it has been unusually fair, unusually good.

The WITNESS: I think so.

Mr. GRAYDON: I think you would have to exercise a good deal of care in arriving at a decision to put a C.B.C. reporter in the press gallery, because it would be liable to many interpretations by the public, I should think. After all, I do not think members need to be too touchy about the question of news going out from parliament. If you watch the average member of parliament,

you will find that when he picks up *Hansard* he will open it to the page where his own speech is to be found; because it, in his opinion, is the most important.

Mrs. CASSELMAN: He speaks from experience.

Mr. GRAYDON: I am speaking on behalf of members generally. I was not trying to take an individual position. I have been watching, and that is the experience from what I have seen of others doing. But it seems to me that the news generally in the press and over the C.B.C. cannot be subjected to much criticism on that basis. There may be times when perhaps members feel that some emphasis should be laid on one point and not on another. But you have to leave that largely to the judgment of the press and to the facilities that are conveying the news, because they really are in a better position perhaps than those who are closer to the picture, to do that.

Mr. TRIPP: We take it for granted that both Mr. Graydon and Mr. Coldwell are satisfied. But what about the third party?

Mr. GRAYDON: Oh well, the third party is not an important party, perhaps.

Mr. COLDWELL: I often think that our people should be given much more publicity than they are given. But I think, on the whole, that the reporting is very fair over the C.B.C., although I do think the government gets a great deal more than the opposition, as a matter of fact. But that is natural.

By Mr. Bertrand:

Q. Major Murray, I understand that you receive your news from the Canadian press?—A. And B.U.P.

Q. And if what you receive is not satisfactory, insofar as command is concerned, you correct that?—A. Yes. I should correct one answer I made earlier. I said it was satisfactory, that the volume of comment was evenly balanced. As a matter of fact, that is not quite accurate. A study of the adverse comment over the past six months puts a solid balance on the side of the government. It is the government that thinks it gets the raw end of the deal. That is probably a healthy sign.

Mr. GRAYDON: It may get the raw end of the deal on that, although I think that is open to serious question.

Mr. COLDWELL: I think so too.

Mr. GRAYDON: But from the standpoint of taking part on the national network, they cannot make that complaint.

The WITNESS: No. It is only about the news that I am speaking. There is just one point I want to make quite clear with regard to Mr. Bertrand's question. Mr. Bertrand suggested that we corrected the news. We do not correct it.

By Mr. Bertrand:

Q. No; I was referring to the comment. If you find that the comment accompanying this news is not satisfactory—I mean, it is biased—you try to correct it?—A. Well, it depends; because we are supposed to be literally reporting the facts; and comment is a matter for our commentators every day, every week. That is another matter of interpretation. So far as news is concerned, all that we can do is to see that it is properly balanced as between one statement and another. If, for instance, there are four speakers in the House of Commons, and we have an account of what they said, we have to use judgment as to the proportion of the time of the bulletin that is given to each, in relation to the importance of the subject. I want to make it clear that we do not interfere in any way with the kind of statement that is made.

Mr. COLDWELL: How are you going to handle this report, Mr. Chairman? Are you going to have it read paragraph by paragraph?

The CHAIRMAN: Major Murray has an outline here.

The WITNESS: I have a plan which might expedite matters, if it meets with your agreement. The report has gone around. I have made certain comments which will carry me straight through, paragraph by paragraph, of the recommendations of both reports. Then I would hope that there would be as much questioning as the committee cares to make on each paragraph. I have a preliminary statement which I think is of some importance, in regard to making clear my own position in relation to these reports.

By Mr. Coldwell:

Q. First of all, you say you have a memorandum which you will read paragraph by paragraph. Does that mean that each paragraph will relate to each one in those reports?—A. It is numbered the same. It is *pari passu*.

I should like to make my own position clear, first of all. It will be observed that in the proceedings of the parliamentary committees of 1938 and 1939, practically no attention was paid to the organization problems of the C.B.C. Policies were considered and dealt with at length. If there were influences at work to restrain any discussion of organization, I certainly had no part in them. When the 1939 committee finished its deliberations and brought in its report, I had first of all to concentrate on the preparations for what until then and even until now was the major enterprise of its kind in the history of broadcasting; that is, the day-to-day chronicling and picturing of the royal tour for a world-wide audience. While this task was being performed, with results that have already been recorded, I was aware that consideration was in progress among members of the board on organization problems. This was quite normal. After all, the board being detached from day-to-day operations should give continuous thought to problems of this kind. At that stage, however, there was recognition of the rapid progress that had been made and the remarkable development of the previous three years—this recognition due probably to the facts which the proceedings of the parliamentary committee had brought out; so it was perhaps natural to turn to organization problems. I was content to allow others to study problems of organization while the staff got on with the job. I did hope, however, to have at some stage a reasonable opportunity of discussion and consultation with Mr. Thompson and Mr. Plaunt. Careful examination of the records establishes the fact that this opportunity was limited to conversation at luncheon one day in June, 1939. I am not quite sure of the date, but I think it was June 12th. I have discovered a note made about that time and it reads as follows:—

Mr. Thompson and Mr. Plaunt sought my views on centralization, program development and staff recruitment. On centralization I tried to make this point. It was dangerous to make close comparisons between broadcasting in the United Kingdom and broadcasting in Canada. Nevertheless, from the point of view of the theory of organization, it obviously would be advantageous to have administration, programs, engineering and ancillary services in the sense of a national headquarters. But there were certain dangers that had to be taken into account. For one thing, we should be careful to avoid the “splendour complex” in bricks and mortar from which some other broadcasting concerns had suffered.

I will have something to say about that later on.

By Mr. Graydon:

Q. What is that again? I did not catch it.—A. The “splendour complex”.

For one thing, we should be careful to avoid the “splendour complex” in bricks and mortar from which some other broadcasting concerns had suffered. It must be kept in mind always that the purpose of our being was what came out of the microphone; by all means have efficient studios

and as many of them as necessary in the places where they could do the best service; by all means have the best engineering equipment, transmitters and so on, but let the administration side, in terms of accommodation at least, always be regarded as subsidiary. Another point was the special importance in Canada of flexible regional organization. If we were going to centralize, where should we centralize? The problem in England was easy—London was the natural place. The problem in the United States was not so easy. New York did not long remain the centralized headquarters of the networks. Chicago and Hollywood soon came into the picture.

Program development. I felt that we had reached the stage of specialization and polish. We should now plan to make a real profession of broadcasting, using the apprentice system as well as schools of instruction. The apprentice system had already been experimentally introduced, but not on an adequately organized scale.

For recruitment I thought we should look not only to the universities, but also to the schools from which the best representatives of labour and agriculture might be expected to emerge; also women should have equality of opportunity and treatment.

In the matter of expansion we should try to continue to be in the vanguard of the growth of the art. It might be that better results could be obtained by a smaller staff using new methods. This could be determined only by periodical overhaul both of staff and of methods. I saw no reason for wholesale dismissals.

Staff adjustment was a continuous process in the light of experience and events. The extraordinary results already achieved in terms of the product could not have been secured without a staff wholly enthusiastic and generally efficient.

With regard to the "splendour complex", I may say that this is not irrelevant, although it may seem so. I suggest that it is not. When I say "splendour complex in bricks and mortar", what I had in mind was an incident that happened in my own experience in 1932. At that time the B.B.C. was moving from the relatively dingy surroundings of a back street of the Strand, from an empty and leaky storehouse on a disused wharf near Waterloo Bridge across the Thames, where some of its best creative work had been done, to the palace of Broadcasting House, then the last word in technical completeness, modernistic decorations, elegance and dignity. On this particular day it was my job to attend, with a committee of representatives of the stage, including Mr. George Grossmith, who was entertainment advisor to the B.B.C. and who was then joint director of the Theatre Royal, Drury Lane; Mr. Charles B. Cochran, the revue impresario; Mr. Harry Tate, the comedian and Dame Marie Tempest, one of the idols of the English stage for half a century, to consider how best to organize an all-star show for a stage benevolent fund to be presented for an audience in the auditorium as well as for broadcasting. The conference went off very well indeed in considering the programs, in reviewing the stage equipment, the scenery and so on. But I noticed a state of depression growing amongst the committee later and the gloom deepened as they went backstage and looked at the stage entrance, and looked at the environment and so on. What the real trouble was—and it was expressed by all of them—was this. They said, "This is all right as a stage, but this environment here is much too grand." They said "Our casts are not going to do good work. The cast will lose its nerve crossing that marble-floored, pillared entrance hall, with Latin mottoes in front of it." Harry Tate said, "Is there not a servants' entrance? Could I bring my troupe in a brewer's van to the goods entrance?" Imagine anybody bringing a troupe of actors in a brewer's van to a place run by Sir John Reith! He said, "Could sawdust or straw be strewn about my dressing room, a pawnbroker's sign put up

and Old Maude, the Piccadilly flower seller at the side entrance?" It is not irrelevant because it does instance an extraordinary thing that one has to take care of in the show business. These people were going to be out of their element. They would have done much better work at that time if they had been down in the old leaky warehouse. For a certain time I believe the B.B.C. did suffer from the elegance and dignity of its surroundings. Of course, since then Hollywood has created a new tradition and people can tolerate gilded elegance and still do good work in art.

I understood that the investigations were continuing. I had to go to England on urgent business, not the least part of which was concerned with co-ordinating plans for eventualities then envisaged. I was given no further opportunity of consultation or discussion on the recommendations of either of the reports now under review. This does not mean, however, that I discounted the value of these reports. They are in some ways admirable. I studied them with care and proceeded, within the limitations of my authority, to apply some recommendations which were not already in the process of being acted upon.

In view of the altogether exceptional nature of this business of public service broadcasting and the difficulty of the rapid absorption of its complexities, what surprises me is that so many of the recommendations were either already being implemented or subsequently applied.

I would like now to take you through these two reports—indicating what was done and what was initiated. My observations cover the period before the order in council last year. It should be borne in mind that the reports deal with conditions three years ago.

Q. Does your report cover conditions prior to the resignation of Mr. Plaunt in August, 1940?—A. Yes.

Q. What you are referring to now or what you will refer to will be those changes which had been initiated or had been made previous to his resignation on August 30, 1940?—A. Yes.

Q. All right.—A. Now, taking the Thompson recommendations first, 1, 2 and 3 are grouped. I shall read them.

Q. You are taking Thompson's first?—A. Yes. No. 1 is: "That all administrative and executive departments be centralized at either Montreal or Toronto."

Mr. COLDWELL: Is that page 26?

The CHAIRMAN: The recommendations are at page 26.

The WITNESS: Yes.

By Mr. Graydon:

Q. Will you just repeat what you said?—A. Yes.

(1) That all administrative and executive departments be centralized at either Montreal or Toronto.

It will be convenient if I read these three together because I want to deal with them together.

(2) That the legal head office at Ottawa be confined to accommodation for the Board, the General Manager, the Assistant General Manager, and a Liaison Officer.

(3) That a Liaison Officer be retained at Ottawa as a representative of the Executive.

Then the comment:—

The problem of centralization of headquarters of the C.B.C. in one centre has been considered on many occasions. It is recognized by the executive that such a step would be decidedly advantageous in many ways. With this in view, property was obtained in both Montreal and

Toronto. It was planned to construct buildings on these properties which would include headquarters establishment in Montreal, and adequate studio facilities in Toronto, as well as the necessary regional offices. The corporation was successful in obtaining from the city of Montreal, at no cost, a suitable piece of property around which the city was planning to construct a park immediately on the completion of the C.B.C. building. Plans for the building had been drawn up and tenders prepared on our requirements when war intervened. The question of proceeding with the building was discussed at several meetings of the Board of Governors and the then Minister of Transport interviewed with a view to obtaining the necessary loan from the government. The minister stated that he could not conscientiously recommend to the cabinet the granting of a loan to the C.B.C. for further construction at the present time; and after further consideration by the board as to possible ways and means, it was decided to leave the matter in abeyance until after the war.

In addition, it is set forth in the Canadian Broadcasting Act, 1936, under which the C.B.C. is formed, that the headquarters would be in Ottawa. It is necessary, therefore, to obtain the approval of the government to move the headquarters, and the Minister of Transport stated that he would be reluctant to bring the matter to the attention of the cabinet at the present time as he felt the C.B.C. should remain in Ottawa for the duration of the war at least.

By Mr. Coldwell:

Q. What was the date of that decision?—A. July, 1940—about that. That would not be far wrong. That is the observation on 1, 2 and 3. Before proceeding, would you like to ask any questions?

Q. That was July, 1940. That would be a Board of Governors' decision not to proceed. So there would be a meeting of the board, would there?—A. Well, the decision was inevitable when the Minister of Transport declined to recommend to the government that we be granted the necessary loan.

Q. Of course, the Board of Governors might have taken it up anew. But did the board make a decision in July, 1940?—A. It must have been the board. I could not have made it. Is there a minute? There was a meeting of the board on the 17th and 18th of July.

Q. That is in the minute?—A. Is there a minute on it? The recollection of the secretary is that there was a discussion.

Mr. BERTRAND: Does that not appear?

Mr. COLDWELL: That is not the point. If that decision was made, when was it made? Who made it? If it was made by the board, surely if the minutes are properly kept, there must be a minute.

By Mr. Graydon:

Q. Are the minutes here?—A. Yes.

Q. All of them?—A. The chairman of the Board of Governors has already made reference to this in his evidence.

Q. There will be plenty of things that the chairman of the Board of Governors has mentioned that perhaps will have to be reviewed.

Mr. COLDWELL: Really there should be no delay in answering a question of this sort; because when a statement is made that a decision is reached, there should be a record of that decision available. It is quite a natural thing for members of the committee to ask what the decision was, when it was made and so on.

Mr. BERTRAND: Even if there is only discussion, it should appear in the minutes.

Mr. COLDWELL: Yes.

The WITNESS: Obviously the Board of Governors made the decision. Nobody else had authority to take it.

Mr. COLDWELL: Well, we should like to know because there has been a number of statements of this description made, that such and such a thing was done.

Mr. CLAXTON: Mention was made of this having been covered in Mr. Morin's evidence. I wonder if the page reference could be given.

Mr. COLDWELL: If it is a decision of the Board of Governors, there should be a minute.

Mr. CLAXTON: Yes. I only wanted that to see if there was not a lead in it as to the approximate date.

Mr. COLDWELL: Oh, yes. I see what you mean.

The WITNESS: There is no record in the minutes.

By Mr. Coldwell:

Q. If there is no record in the minutes, was there a decision ever taken?—

A. They sat in camera, of course, a good deal, both times.

Q. Yes. But the board could not take a decision of this description in camera?—A. With the minister.

Q. Then the statement that you have just made, Major Murray, cannot be borne out by the minutes. Of course, we are dealing with the question of the Thompson and Plaunt report, and that has a very direct bearing upon Mr. Plaunt's recommendation?—A. Well, what is a fact is that the application for the funds was turned down by the government, and the thing had to fade out.

Q. Yes. But no decision was taken, and there is no minute. Is there a minute regarding the report of the minister's decision that he could not recommend it to the government?—A. There is no record of that.

Q. Then do the minutes convey an accurate picture of the decisions and business of the Board of Governors? Apparently we cannot rely upon the minutes for information?—A. Well, I have given what I know to be the fact.

Q. Oh, yes. But that is not good enough. I mean, if the Board of Governors is fulfilling its function, then surely the minutes should give information regarding important decisions that have been made by the Board of Governors. There is something very wrong in the management, either on the part of the Board of Governors; or if it is discussed, on the secretary's part in not recording the business. It is one or the other.

Mr. GRAYDON: Here are three recommendations made by someone who is authorized by the Board of Governors to make a report. Evidently there is nothing in the minutes to indicate what happened on No. 1, 2 or 3 of the recommendations of the Thompson report.

Mr. BERTRAND: Well, we are talking about 1, 2 and 3 here.

Mr. COLDWELL: That is right.

By Mr. Bertrand:

Q. The administrative and executive departments were centralized, as a matter of fact, in Montreal and Toronto at that time, were they not?—A. No. That was the proposal. I have read an account of exactly what happened.

Q. But it was done later on, was it not?—A. No. The engineering headquarters remained in Montreal; the programme headquarters remained in Toronto and the administrative headquarters remained in Ottawa.

Q. There was no change made?—A. No.

Q. It might appear in the minutes later on.

By Mr. Graydon:

Q. Was there a meeting of the Board of Governors in July, 1940?—A. Yes. But I have been through the minutes and it is not referred to.

By Mr. Coldwell:

Q. Yet you said, when you mentioned those recommendations, that they were quite good recommendations and important ones?—A. Yes. But that I know as a fact. I also know as a fact that this was considered.

Q. But you see, Mr. Plaunt resigned; and one of the reasons for his resignation, or the main reason, was that the Plaunt report had not been properly considered or implemented. It would now appear that no proper consideration was given to those recommendations, or surely something would have appeared in the minutes regarding the consideration or decision that was made.—A. Of course, as I prefaced my remarks, the report I am giving is from my own point of view as to the facts, and I have not related this to the proceedings of the board.

Q. Now, Major Murray, you are general manager; and if you are giving a report regarding the recommendations in the Plaunt-Thompson report, then you are doing it as general manager, and you must give the decision of the Board of Governors?—A. Well, although I cannot produce the evidence, I am 100 per cent certain that I am giving the facts.

Q. Yes. But the thing is that Mr. Plaunt stated that the report had never received proper consideration from the Board of Governors, and there is no minute to show that the Board of Governors ever did make a decision on those three recommendations.

By Mr. Graydon:

Q. The Board of Governors did not meet in July, as I understand it. I think we had better check that definitely.—A. July 17th.

Q. Mr. Morin does not say that in his evidence at all. He says there was a special meeting on July 17 and 18, 1940, at which there were present Messrs. Morin, Nathanson, Godfrey and Plaunt. There was no meeting of the Board of Governors that I remember in the evidence, and I was quite surprised to hear that there was when the evidence was given here this morning.—A. If I may just answer Mr. Claxton's question as to the page number, it is pages 50 and 51.

Mr. CLAXTON: Thank you very much.

The CHAIRMAN: I think that will give you the reference. It is a letter from the chairman of the Board of Governors to Mr. Howe under date of November 26, 1940.

Mr. COLDWELL: That is November, though. That is three months after Mr. Plaunt resigned.

The WITNESS: That was July 17, a special meeting of the Board of Governors.

Mr. COLDWELL: That was not a meeting of the board.

By Mr. Claxton:

Q. How many members were present at that?—A. Mr. Morin, Mr. Nathanson, Mr. Godfrey and Mr. Plaunt.

By Mr. Bertrand:

Q. Did they sit in order to consider the Plaunt report?—A. Not on that occasion, no. That was chiefly about news.

By Mr. Graydon:

Q. They never sat to consider the report. That is the trouble.—A. On June 27 there was a full meeting of the board.

Q. No. I beg to differ with you again.—A. I beg your pardon. I am wrong. It is a special meeting.

Q. My recollection was that there were only two meetings at that particular period, one in April and one in August.—A. But at this special meeting I should say that they were all present—Mr. Morin, Mr. Nathanson, Mr. Godfrey, Adrien Pouliot, Canon Fuller, Mr. Plaunt, Mrs. McClung and Dr. Thompson. There are no absentees.

Mr. TRIPP: I think Mr. Morin made the statement that the Plaunt report was not considered.

Mr. GRAYDON: Yes. I think that is so.

Mr. BERTRAND: Did he give the reasons?

Mr. TRIPP: Yes. He gave the reasons for that.

Mr. GRAYDON: Well, he gave some reasons.

Mr. TRIPP: He gave the board's reasons for not discussing it at that time.

The WITNESS: There is a letter from Mr. Morin to Mr. Howe. May I quote from that? It is on page 50 of the record of the committee. It says:

It was, however, decided, with Mr. Plaunt's full agreement, that the board would deal with them at its next meeting. Therefore, the board was greatly surprised to learn of his precipitate resignation on the 30th of August.

By Mr. Coldwell:

The impression that we were given by what you said was that the first three clauses of this report had been decided upon in July, at a meeting, as you thought, of the board.—A. Well, I am sorry if I was wrong there. At page 51 this is set out:

The problem of centralization, which forms the object of the first three recommendations, has been considered on many occasions and it is acknowledged that such a step would be decidedly advantageous in many ways. The board had planned to build studios and offices in both Toronto and Montreal, but the execution of this plan had to be postponed on account of the war and under the circumstances the board came to the conclusion that the desired change was not opportune at this particular moment.

That is the chairman of the board writing to the minister under date of November 26, 1940.

By Mr. Coldwell:

Q. That is after that November meeting. That was not in July, before Mr. Plaunt resigned in August?—A. No.

Mr. BERTRAND: He resigned too fast. If he had waited, they would have been dealt with.

Mr. COLDWELL: I know you have not been able to be here, Mr. Bertrand, but if you have read the evidence you will find that Mr. Plaunt had been pressing for this and threatening to resign as early as January of the year in which he did resign in August.

Mr. GRAYDON: I do not think we should hold up the evidence on this.

Mr. COLDWELL: No.

Mr. GRAYDON: I should like to have the secretary of the board produce later on the minute which deals with this particular point raised in Mr. Morin's letter to the minister which the general manager has just quoted from; that is, that the board came to the conclusion that the desired change was not opportune. If the board comes to a conclusion, it must be after consideration and it must be in the minutes somewhere in the secretary's

book. I am not anxious for that now. If you have it, so much the better. But if you have not it, then I do not want to delay the proceedings of the committee. That will be produced, I understand.

The WITNESS: Yes, recorded resolutions.

Mr. GRAYDON: May I ask that it be produced at the next meeting so that it will not be lost sight of.

The WITNESS: Yes. You want the relevant resolution on that?

Mr. GRAYDON: The resolution which actually gave the board's decision, or at least which carried the decision in connection with the conclusion the board came to on the desired change.

The WITNESS: Then we come to No. 4.

By Mr. Graydon:

Q. By the way, Major Murray, have you any idea as to what led Mr. Thompson to make this recommendation for the change in the administration and executive departments from Ottawa to Toronto and Montreal?—A. Oh, that was looking at it from the point of view of scientific organization, getting everything together. He was particularly impressed by the B.B.C. organization, which is centralized.

Q. Had the war not intervened, were there good reasons, in your opinion, why those recommendations should have been made?—A. Oh, yes; although, as I mentioned in my preliminary statement, one should not go too far in comparing conditions in other countries. There are difficulties, of course, in locating your headquarters. But from the point of view of theory of organization, it would be an enormous advantage.

The fourth recommendation was:—

“That the duties of the assistant general manager be enlarged so that he may assist the general manager in the administration of all departments and activities, having in mind the national character of the organization.”

There appears on page 155 of the minutes of proceedings and evidence of the committee, number 4, in Mr. Morin's evidence, a memorandum from me dated November 17, 1939, which had as its purpose a clarifying of the organization, a definition of responsibility and a definition also of the results of the experience that had been gained so far. That, of course, preceded the order in council which set up an organization which is not, of course, the kind of organization envisaged by this recommendation.

By Mr. Coldwell:

Q. It is not that kind of organization?—A. No.

Q. How does it differ?—A. Well, this recommendation says:—

That the duties of the assistant general manager be enlarged so that he may assist the general manager in the administration of all departments and activities, having in mind the national character of the organization.

In the latest organization there is a cut, there is a spread of functions; there is a division of functions. There is a distinction.

By Mr. Graydon:

Q. And there is the further distinction that the Thompson report does not envisage either the appointment of an executive committee to manage the affairs of the broadcasting corporation, recruited out of the members of the Board of Governors.—A. All I can say is, that my considered idea of the kind of organization which would work—and I always contemplated and tried in practice to associate Dr. Frigon with me in this larger sense as recommended by the Thompson report, because I think it is eminently sound. That point is not made in the memorandum but it was taken for granted in practice. But of course that

practice has to be conducted despite rather than because of the more recent legislation.

By Mr. Coldwell:

Q. Then you are not really carrying out the legislation that has recently been adopted?—A. Oh, no.

Mr. GRAYDON: Of course, the C.B.C. cannot; because, first of all, you cannot be governed by something to which no appointments have been made.

Mr. COLDWELL: That is right.

The WITNESS: It is a curious anomaly. It will be for the committee to decide whether on the evidence the thing works. There is an indication that it does, but apparently it works unconstitutionally.

By Mr. Graydon:

Q. You have to have a little more than an indication that something works. You have to make sure that it works.—A. Yes. But I was advisedly not using superlatives about a description of our work.

Q. It was a miracle of understatement, in other words?—A. Well, I have nothing further to say on that.

Q. With regard to that No. 4, what were the duties of the assistant general manager at the time that report was filed? Do you remember?—A. Well, I would say that they were virtually those described in this memorandum of mine, although they were not laid down with such clarity. Perhaps this did emerge as a result, a direct result—

Q. A result of what?—A. Of the report.

Q. Yes.—A. That the financial responsibility—we will come to that a little later; there is another recommendation on financial responsibility—was concentrated. Mr. Thompson makes a recommendation for financial responsibility changes, and it is elaborated on under a subsequent heading. I should say that perhaps was the chief change made at that time.

By Mr. Coldwell:

Q. That memorandum was adopted, was it, by the board?—A. Included in the minutes, yes.

Q. I beg your pardon?—A. Yes. It appears in the minutes.

Q. It appears in the minutes as adopted by the board?—A. Yes.

By Mr. Graydon:

Q. No. 4 has been adopted by the board?—A. I beg your pardon, no. That memorandum of mine of November 17.

Mr. COLDWELL: That is right.

The CHAIRMAN: That is the result.

By Mr. Graydon:

Q. Was No. 4 recommendation dealt with by the Board of Governors and decided upon at any meeting?—A. There is no record of anything.

Q. There is no record in the minutes at all on that?—A. Nothing except this memorandum that I have brought forward.

By Mr. Coldwell:

Q. That was long before, though. The memorandum was dated when?—A. November 17, 1939.

Q. 1939?—A. Yes. The report had then been available for a long time.

Q. That is true.—A. It was available for months.

Mr. GRAYDON: It seems a curious situation that the Board of Governors would ask for a report, that the report should make certain recommendations, and then you cannot find in the minutes of the Board of Governors anywhere

where the details of the recommendation were dealt with. That is really what it gets down to in the end.

By Mr. Ross:

Q. Are there any minutes of the finance committee that are kept? Would there be any record of the financial committee having dealt with these things? I think perhaps we had better get Mr. Nathanson here.—A. Yes. Mr. Nathanson would be able to give that.

Q. Mr. Nathanson should know about this, I would think.

Mr. GRAYDON: Of course, the minutes of the finance committee, as I understand it, are kept just the same as the minutes of the Board of Governors.

The WITNESS: Yes.

Mr. GRAYDON: I think, in order to save us considerable time in discussing these matters in committee, I should like to ask the secretary of the Board of Governors to produce to us in some kind of form that we can examine upon, the minutes of the Board of Governors and the minutes of the finance committee, showing where each one of these eleven recommendations of the Thompson report were discussed, and the conclusions and decisions arrived at with respect thereto. I think the chairman will agree with me when I say I think that is something we really should have for the committee, and I should like to have that.

The CHAIRMAN: Of course, we must always keep in mind that there is not a verbatim account kept, as there is in this committee.

Mr. COLDWELL: Oh, no.

The CHAIRMAN: But the results of the deliberations and any recommendations, either acceptance or rejection of the different clauses of the report, are likely a matter of record or should be. My understanding is that that is what you wish to have produced, Mr. Graydon.

Mr. GRAYDON: Yes.

The CHAIRMAN: I do not think there is any objection to that.

Mr. GRAYDON: I think it should be produced to-morrow for us, or whenever we next meet; because actually, if it is produced later than that in the committee, it is going to be useless. Otherwise, we would have to bring somebody back.

By Mr. Coldwell:

Q. The Thompson report had been available for some time before your memorandum was drafted. Was your memorandum prompted by those recommendations?—A. By which?

Q. By the recommendations?—A. Oh, no.

Q. No. 4?—A. No. That was a clarification of the position. I had read the recommendations, though.

Q. It differs somewhat.—A. It omits this one point. It does omit the spreading of responsibility, common responsibility throughout the country. It also differs in other points to which I shall refer as we go along.

Q. What I was getting at was this. If your memorandum was to some extent prompted by, or had some likeness to, No. 4, I cannot understand why the board did not consider the recommendations of the Thompson report in relation to your memorandum. That would have brought up the matter of the report.

By the Chairman:

Q. Is it not a fact that your memorandum is more or less an alternative to recommendation No. 4, and that your memorandum was accepted by the board rather than No. 4 recommendation in the Thompson report—A. Well, all I know is that my memorandum was accepted.

Q. It is logical to conclude that both of them were considered.

Mr. COLDWELL: That is what we want to find out. Surely there will be some reference in the minutes of the board of the consideration of a report which had cost the board some money and which even at that time was the subject of discussion between members of the board, as we learned from Mr. Morin, and for the consideration of which Mr. Plaunt was pressing constantly. I think, Mr. Chairman, that Mr. Graydon's suggestion is a good one, that this had better be looked up in the minutes and produced in the morning.

The WITNESS: All right. Is it your wish that I proceed with No. 5?

The CHAIRMAN: I think so.

The WITNESS: Recommendation No. 5 is:

That department heads be required to report directly to the General Manager.

By Mr. Graydon:

Q. What happened to that one?—A. The comment is:

In theory, all heads of divisions i.e. engineering, programs, secretariat, financial, commercial, press and information, station relations, are responsible and report directly to the general manager who is the chief executive of the corporation. In practice, however, it has been found expedient to have those heads of departments, whose functions are controlled by the assistant general manager, report to him and through him to the general manager. As the assistant general manager is directly responsible for certain of the corporation's activity as outlined above, it is essential that he have direct control and be kept in constant touch with the work of the departments for which he is responsible. As a matter of fact, when reports are submitted to the assistant general manager by the department heads over which he has jurisdiction, copies are invariably forwarded, at the same time, to the general manager, so that he is kept in constant touch with what is being done.

By Mr. Coldwell:

Q. But the assistant general manager, under the new by-law, reports directly to the board?—A. Yes.

Q. And as a matter of courtesy he gives you a copy of the report?—A. That is right.

Q. So that that recommendation has not been carried out?—A. No. It has not been carried out.

Q. Was it discussed?—A. Well—

Mr. GRAYDON: That will be shown in the minutes.

Mr. COLDWELL: We might find that out later on.

The CHAIRMAN: The whole thing must have been discussed.

Mr. GRAYDON: I am glad we have such an optimistic chairman. I hope he is right, but I think we ought to hear the evidence on it.

The WITNESS: Pages 70 and 71 of Mr. Morin's evidence.

Mr. BERTRAND: Many of these questions should have been asked of Mr. Morin. He should have produced the minutes himself, because he is in a better position to do that than the general manager, who is not always present.

Mr. GRAYDON: I wish Mr. Bertrand had been here when we tried to get the minutes produced in the first instance. I know that he was unavoidably absent. What Mr. Bertrand says is absolutely right; that is, that we were desperately handicapped—as I felt, anyway—by not having those minutes

before us in the first instance. I cannot complain now, because the committee said otherwise and that was the end of it.

Mr. BERTRAND: I think myself that, whenever we have a committee on radio, one of the first things we should have would be a copy of the minutes; because that is the main thing in any organization.

Mr. COLDWELL: We moved that, but did not succeed.

The CHAIRMAN: The position with regard to that is briefly this. A motion was put before the committee for the production of the minutes.

Mr. BERTRAND: And that was turned down?

The CHAIRMAN: Yes, exactly.

Mr. GRAYDON: It was overwhelmingly defeated.

The CHAIRMAN: There was a long discussion with reference to it; anyway, the final decision was that the minutes, rather than being put on the table for the free perusal of all the members, would be produced relative to anything which would be brought up from day to day; and the minutes that would be required with reference to matters that would be brought up, say, at this meeting, if they were not here right off, would be produced at the next meeting. We are going on the assumption that that will be done.

Mr. BERTRAND: There might be very good reasons for that. I am merely pointing out my feelings in the matter. We have had to sit on two or three committees. I had to sit on the Defence of Canada Regulations committee, to which I gave a lot of my time. But whenever I study the organization of a company, the first thing I do is to look at the minutes.

Mr. TRIPP: Looking at page 70, Mr. Graydon asked Mr. Morin all those questions, did he not?

Mr. GRAYDON: I asked a number of questions. But I hope that does not prevent me from cross-examining another witness on the same thing.

Mr. BERTRAND: Not cross-examining; you do not mean that.

Mr. GRAYDON: Did I say cross-examine? I did not mean that. I mean examine.

The CHAIRMAN: Leave out the "cross".

The WITNESS: Is it your wish that I proceed to the next point?

The CHAIRMAN: Is this one cleared up to your satisfaction?

Mr. GRAYDON: We would not like to be put in that position, Mr. Chairman; but at least we are prepared to go on to the next one.

The WITNESS: The next one is No. 6.

By Mr. Graydon:

Q. Before we leave No. 5, do the department heads, with respect to the French network, report directly to you or to Dr. Frigon?—A. To Dr. Frigon.

Q. They report to Dr. Frigon?—A. Yes.

By Mr. Claxton:

Q. Even with regard to programs?—A. Yes.

By Mr. Graydon:

Q. When was the change made?—A. Well, there has been no change. It has always happened in that way.

Q. It has always been that way?—A. Yes.

Q. All right.—A. No. 6 is:

That the treasurer be designated as financial controller—

By Mr. Coldwell:

Q. Who is treasurer of the organization?—A. Mr. Baldwin.

Q. Has he been treasurer throughout?—A. Yes.

Q. Is he going to appear here?—A. At your wish.

The CHAIRMAN: If it is the wish of the committee, he will appear. It was the understanding that when we come to the financial report, if the committee wishes to inquire into it, the first man you will have will be the treasurer.

Mr. COLDWELL: Singularly enough, although he has figured in a lot of the discussion, I had almost forgotten his name, as a matter of fact.

Mr. GRAYDON: He may be a good treasurer.

Mr. COLDWELL: We will be very glad to see him.

The WITNESS: He is a very distinguished public servant.

The CHAIRMAN: All right. Let us get on to No. 6.

The WITNESS: No. 6 is:

That the treasurer be designated as financial controller, with enlarged duties and responsibilities.

Mr. COLDWELL: I suppose there is the same question there: is there anything in the minutes regarding discussion of this particular recommendation?

The WITNESS: The comment is: "According to the recommendation submitted by Mr. Thompson, enlarged functions of the treasurer, in addition to financial control, would entail supervision of the various offices; the inclusion of the purchasing division as a unit of the treasurer's branch; the keeping of records showing all appointments to the staff, increases in salaries, contracts involving expenditures of moneys, etc., and the centralization of budget records.

Under the arrangement described under No. 4 above, (that is, that memorandum I read of November 17, 1939) the assistant general manager was made responsible for all financial matters. To further implement this and to insure more adequate control over purchasing and to supervise expenditures generally, the assistant to the treasurer was appointed supervisor of expenditures to work under the direction of the assistant general manager.

By Mr. Graydon:

Q. Wait a minute, Major Murray. Let us get this complicated set-up right. I cannot follow the maze of changes in this. Will you repeat that, please?—A. "The assistant general manager was made responsible for all financial matters. To further implement this and to insure more adequate control over purchasing and to supervise expenditures generally, the assistant to the treasurer was appointed supervisor of expenditures to work under the direction of the assistant general manager."

By Mr. Coldwell:

Q. Who is the assistant to the treasurer?—A. Mr. Mortimer. He was moved to Montreal, which is the great purchasing centre.

Continuing: He is still a member of the treasurer's department. He is responsible for keeping the assistant general manager posted on the state of all budget items from day to day.

The treasurer is provided with a copy of all separation and employment reports which give him a true picture of the staff of the corporation. In addition, he is given lists of staff salary increases with the effective dates and other relevant information.

All contracts involving expenditures of moneys are first noted by the treasurer's representative before they are submitted to the—

By Mr. Graydon:

Q. Who is that?—A. The treasurer's representative. The treasurer has a special delegated representative in each centre of operation.

By Mr. Coldwell:

Q. And he is responsible to whom—the treasurer or the assistant treasurer?—A. He is responsible to the treasurer. The assistant treasurer is supervisor of expenditure, and he works under the direction of the assistant general manager.

Q. The assistant treasurer is not the assistant treasurer?—A. He was the assistant. He is the supervisor of expenditure.

Mr. GRAYDON: The assistant treasurer is not the assistant treasurer and the assistant general manager is not the assistant general manager. Actually we have got as many treasurers now in this organization as we have general managers. Go ahead.

The CHAIRMAN: What is the difference what you call them, as long as their duties are properly delegated and properly understood?

Mr. BERTRAND: What's in a name?

The CHAIRMAN: Exactly. There is nothing in a name.

Mr. GRAYDON: If they had even followed that line of reasoning, it would not be too bad.

Mr. TRIPP: The Dominion Treasurer has a representative in Regina, and has representatives all over.

Mr. COLDWELL: I think that is right. He should have.

The WITNESS: Dr. Frigon reminds me that it is all set out in the statement he has already given.

Mr. GRAYDON: I do not believe there is any point in repeating the evidence. It is just a matter that we were examining on. That was the point.

The WITNESS: Pages 252 and 253 outline all the financial divisions. Continuing:—

All contracts involving expenditures of moneys are first noted by the treasurer's representative before they are submitted to the treasurer himself, and the general manager, who are the corporation's signing officers.

Experience has shown that it would not be advisable to have the treasurer's department assume responsibility for the management of the offices, this being under the secretary, who is responsible not only for personnel but for files, documents, etc.

Some duplication of budget records is necessary. It is essential that the heads of divisions be able at any given moment to ascertain their expenditures and commitments and to provide for expansion or retrenchment, if necessary. If the headquarters of all departments were located under one roof, this information would be available from the treasurer, and rightly so; but until such time as that takes place, duplication must continue to exist.

The treasurer, under the direction of the assistant general manager, maintains a continuous study of licence fee revenue and provides statistics having a bearing upon revenue possibilities and reviews from time to time, the collection charges made by the Department of Transport.

By Mr. Graydon:

Q. May I ask a question just there. You say that the treasurer on that particular point reports to you or Dr. Frigon?—A. No, the assistant general manager.

Q. I am sorry. I did not hear you.—A. Continuing:

He is available for all meetings of the finance committee and all meetings of the board when matters of finance, expenditures of moneys or financial items falling within his realm are being discussed; and it is provided not only with the minutes of the finance committee, in toto, but also the relevant minutes of the board dealing with matters for which he is responsible.

That is the report on No. 6. As you will see, the recommendation about the treasurer was changed, and the recommendation was applied with some modifications to the assistant general manager:

By Mr. Claxton:

Q. Actually, not one of the six recommendations was carried out?—A. Not in toto.

By Mr. Graydon:

Q. When was the change made in connection with financial control to the assistant general manager? Do you remember that offhand? It was given in the evidence, I think, but I cannot recall the date and I should like to have it?—A. It grew up in practice, I think that the first formal recognition of it was in my memorandum which has been quoted this morning. But it had been growing in practice for some time.

Q. What date was that memorandum?—A. November 17.

Q. 1940?—A. 1939. Then No. 7 was:—

That a special survey be made of the prospective requirements of the program department, and plans formulated for increasing existing revenues or for obtaining supplementary revenues to improve existing services.

The comment is:—

The question of increasing the corporation's revenue is one that necessarily has been given much thought and consideration. From time to time, various supplementary means of increasing the available revenue of the corporation such as imposing a tax on tubes, increasing the licence fee, increasing commercial revenue by (a) increasing rates; or (b) taking more commercial programs, has been considered. With respect to the latter suggestion, it has been felt that as a national public organization, the primary function of which is to bring into Canadian homes programs distinctively Canadian in type, only a certain proportion of commercial programs could be accepted and that a strict balance between sustaining and sponsored broadcasts must be maintained.

It is a matter of constant necessity for adjustment. My own personal view is that we have now reached the saturation point, if not gone beyond it, so far as the proportion of commercial to sustaining is concerned. Continuing:—

With this in mind, the Board of Governors, on its own initiative, instructed the management not to seek excessive commercial revenue. This forbearance has been exercised. So far as rate increases are concerned, the problem was being actively studied and detailed information obtained when the war intervened, and it was decided that it would not be advisable, in view of general conditions, both at home and abroad, to implement the recommendations and increase the basic rates for sponsored network programs.

We were going through a delicate situation, and there were many considerations on both sides of the line. Continuing:—

The feasibility of deriving revenue from a tax on tubes has been the subject of intensive consideration. Owing to the present long life of tubes,

the varying periods of replacement times, etc., it is the considered opinion of those making a careful study of plans that such a proposal could not systematically provide revenue in amounts which could be calculated upon in advance. Any moneys received through this plan would, of necessity, be haphazard as to amounts, and long term planning, in the light of financial expectations, would be impossible.

Studied consideration has been given to the problem of increasing the licence fee which is now \$2.50 per annum.

Mr. GRAYDON: You had better not give too much consideration to that.

Mr. COLDWELL: Not just now.

The WITNESS: As a matter of fact, it is not worth consideration. It is not practical politics. The thing is, *prima facie*, out of the question.

By Mr. Coldwell:

Q. Does that end that section?—A. With this further observation, that the proceeds required by the program department are surveyed in the sense of this recommendation.

Mr. GRAYDON: It is 1 o'clock.

Mr. COLDWELL: Do we meet to-morrow?

By Mr. Claxton:

Q. There is a further point and that is the possibility of obtaining a larger amount of the \$2.50 licence fee, if some arrangement could be made with the Department of Transport. Has that been considered?—A. Yes; and any windfalls one obtained from that source would be gratefully received.

Q. Perhaps we can go into that later.

The CHAIRMAN: We will proceed with the examining of these reports with Mr. Murray as witness at the next meeting. When do you want that meeting, to-morrow or Friday?

Mr. GRAYDON: I would rather have it to-morrow.

Mr. COLDWELL: And Friday, if necessary.

The CHAIRMAN: We will call the meeting for to-morrow at 11 o'clock. I have an important engagement earlier. If it will suit the convenience of the committee, I should like to have the meeting called for 11 o'clock.

Mr. COLDWELL: It will suit me.

The CHAIRMAN: We will meet to-morrow at 11 o'clock in this room, then.

The committee adjourned at 1.05 p.m. to meet Thursday, June 18, at 11 o'clock a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

INCLUDING THE THOMPSON AND PLAUNT REPORTS

THURSDAY, JUNE 18, 1942
FRIDAY, JUNE 19, 1942

WITNESS:

Major Gladstone Murray, General Manager of the Canadian
Broadcasting Corporation

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

THURSDAY, June 18, 1942.

The Special Committee on Radio Broadcasting met at 11 o'clock. Dr. McCann, the Chairman, presided.

Members present: Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonnette-Rosemont*), Graydon, Isnor, McCann, Rennie, Telford and Tripp—11.

In attendance:

From the C.B.C.: Dr. Frigon, Messrs. Manson, Bushnell, Radford, Brodie, Findlay, Miss Belcourt and Mr. H. Bramah, Chief Accountant.

From the Department of Transport: Messrs. Rush, Caton and Bain.

Major Murray was recalled and he tabled two documents showing the cost of Government Sponsored and Contracted Broadcasts over the C.B.C. Networks and Stations from January 31 to March 31, 1942.

Ordered—That the two documents be printed as tabled. (*See Appendix A to this day's evidence*).

The witness proceeded with and completed his evidence on the Thompson's report being examined thereon.

In the course of his statement, the witness referred to resolutions passed by the Board of Governors and the Finance Committee with respect to the recommendations contained in the Thompson's report.

Major Murray was questioned on his salary and expense allowance. He filed with the Clerk a copy of a document indicating the C.B.C. classification and salary ranges and was examined thereon.

At the time of adjournment, Major Murray was dealing with the Plaunt's report and he will continue at the next meeting.

The witness retired.

The Committee adjourned until Friday, June 19, at 11 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

FRIDAY, June 19, 1942.

The Special Committee on Radio Broadcasting met at 11 o'clock. Dr. McCann, the chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Douglas (*Queens*), Hanson (*Skeena*), Isnor, McCann, Ross (*St. Paul's*), Telford, Tripp and Veniot.—11.

In attendance: With the exception of Mr. Manson, same as appear in the minutes of proceedings of June 18.

Major Murray was recalled.

With the consent of the committee, the witness made the following correction: Dr. Herbert Bruce's quotations, reported on page 414, from *Hansard* should bear the date of Friday, March 21, 1941.

Major Murray gave the following information which was requested by the committee.

1. Statement for the years 1939 and 1940 showing the amounts paid out for coverage and statistical reports, listener surveys and the account to which these were charged.

2. Return indicating when the Board of Governors discussed the question of changing the general manager's salary and allowances.

3. A comparison of existing salary classifications with those suggested in the Plaunt report.

4. Statement commenting the circumstances surrounding the cutting off the air of Rev. W. R. Bradley.

5. Letter from the Department of Justice approving the amendments to the by-laws, dated April 4, 1941.

The committee agreed to incorporate these in this day's evidence.

The witness was examined on the above mentioned statements and further questioned on the news services and commentators.

Major Murray resumed his evidence on the Plaunt report commenting on its subject matter and quoting board's minutes.

He was questioned thereon.

In the course of his remarks, the witness tabled copies of a publication entitled "Le Canada parle à la France", which were forthwith distributed.

Ordered,—That the Thompson and Plaunt reports be printed in this day's evidence as an appendix. (*See Appendix 1 and 2*).

Witness retired.

The committee agreed to call at its next sitting Mr. H. Baldwin, Treasurer of the C.B.C. and Mr. W. A. Rush, Controller of Radio, Department of Transport.

The committee adjourned until Tuesday, June 23, at 11 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

June 18, 1942.

The Select Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. Gentlemen, we have a quorum. We shall proceed with the meeting now. There are a couple of returns here, one, "Cost of government sponsored programs broadcast as booked over C.B.C. networks and stations from January 31, 1941, to March 31, 1942." This was asked for by one of the members of the committee. The next one is, "Statement of government sponsored C.B.C. network broadcasts, contracted from January 31, 1941, to March 31, 1942, station time and line facilities only." Now, I would suggest that we have these incorporated in the minutes and printed as an appendix and it will be available to all the members. (See Appendix A to this day's evidence.)

Mr. COLDWELL: Do the reports give the discounts paid?

The CHAIRMAN: Yes, everything that was asked for. With your concurrence we will have these put on the record and they will be available next time. Now, we shall proceed with Major Murray.

Mr. COLDWELL: There are one or two other things that I should like to mention: One is the reply to Mr. Buchanan and the other is the correspondence and memorandum in connection with Mr. Pickering.

The CHAIRMAN: They will be filed as soon as they are available.

Mr. COLDWELL: They are not available yet?

Mr. MURRAY: Yes.

Mr. GRAYDON: There was another matter that I should like to mention. I asked for the tabling of the relevant minutes of the C.B.C. Board of Governors relating to the eleven recommendations in the Thompson report.

The CHAIRMAN: They will be produced.

Mr. GRAYDON: We should have them, I think, at the beginning of the meeting, unless you have something else in mind.

The CHAIRMAN: We shall continue with the discussion of the recommendations of the Thompson report, and the minutes will be produced at the right time when discussing that report.

Major GLADSTONE MURRAY, recalled:

By Mr. Graydon:

Q. Then, Major Murray—A. I have two preliminary questions arising out of yesterday's proceedings that I should like to deal with. First of all, I should like to make a correction in my evidence. I said that the discussion with regard to the centralization at Montreal took place in July, 1940. That was a confusion of dates and a mistake on my part. It should have read January, 1940, and I can only plead human error of defective memory on that. The second point raised by Mr. Coldwell about the memorandum, paragraphs of which Mr. Coldwell read, may I say I have the memorandum here. What is your wish about it? Do you wish it read?

Mr. COLDWELL: Yes; I could not find it myself.

The WITNESS: It is dated September 26, 1939; it is an internal memorandum, W.E.M., War Emergency Political Broadcasting.

The CHAIRMAN: Do you want it read?

Mr. COLDWELL: Mr. Murray might read it a little later, I can ask him a few questions about it.

The CHAIRMAN: Has it anything to do with the recommendations?

Mr. COLDWELL: No.

The CHAIRMAN: Why not let us continue with the recommendations?

The WITNESS: I have all the board references here, Mr. Chairman.

By Mr. Graydon:

Q. Let us proceed in an orderly way so we will have the proper sequence in the evidence. This report was dated, if my memory serves me correctly, the 23rd of September, 1939. I think the chairman of the Board of Governors in his evidence stated it was filed before the Board of Governors and attention was directed to it for the first time in the meeting of October 16, 1939. That would be the first meeting of the Board of Governors as I understand it after the report had been made. What we would like to have, in chronological order if possible, are the references that can be found in the minutes of the C.B.C. Board of Governors or in the special committee or in the finance committee or any other committee in which minutes are taken relative to the recommendations of the Thompson report.—A. Mr. Chairman and gentlemen, what I have done is to extract from these minutes all relevant references to all matters in both the Thompson report and the Plaunt report; and I have done it chronologically. It began in July 1939.

Q. That will be satisfactory.—A. The first reference is from the minutes of the Board of Governors of July 6, 1939. All these are quotations from the minutes of the Board of Governors:—

Eleventh Meeting of the Board of Governors, July 5, 6, 7, 1939.

Considerable discussion then took place respecting the survey of staff organization initiated earlier in the year by the General Manager. The Chairman explained that the Finance Committee at its meeting in Ottawa in April had requested Mr. Plaunt to consider collaborating in the survey on behalf of the Board. At that time Mr. Plaunt did not feel able to say whether or not he would be willing to undertake such a task, or whether his own business and personal affairs could be so rearranged so as to make it possible. He had, however, agreed to consider the suggestion and to make whatever enquiries were necessary to reach a decision prior to the meeting of the Board. Mr. Plaunt then explained his present position in the matter. If the Board considered his participation essential, he said, he would arrange to give it. He would not be prepared to proceed, however, unless all members of the Board gave the proposal their wholehearted support. After further discussion and clarification of the purposes of the survey, the following resolutions were unanimously agreed:—

It was resolved: That Mr. Plaunt with the collaboration of the General Manager and the Assistant General Manager conduct comprehensive survey of the Corporation staff and report his findings to the Chairman and the General Manager as soon as possible.

It was further resolved: That Mr. Plaunt with the collaboration of the General Manager and the Assistant General Manager conduct a survey of the internal organization of the Corporation, for this purpose

being authorized to obtain the services of Mr. James Thompson of the firm Clarkson, Gordon, and Dilworth, Chartered Accountants, and report his findings to the committee and General Manager as soon as possible.

It was understood and recorded that the above procedure meets with the approval of the General Manager and the Assistant General Manager.

That concludes that extract.

Q. That is just authorization?—A. The whole story is here. Then I give an extract from the meeting of the Board of Governors of October 16, 1939:—

Twelfth Meeting of the Board of Governors, October 16, 17, 1939.

After several sessions in camera the meeting opened at 9.25 p.m. with Mr. L. W. Brockington presiding.

There is no record of what happened in camera.

Q. No record of the subjects?—A. No.

Q. Dealt with in camera?—A. No.

Q. No reasons why it should have been in camera?—A. No.

By Mr. Coldwell:

Q. You have no knowledge?—A. Not at all; no staff was present. The next is a meeting of the Board of Governors on October 17, 1939, the next day:—

Twelfth Meeting of the Board of Governors, October 16, 17, 1939.

The meeting opened at 10.45 a.m. with Mr. René Morin, Vice-Chairman, presiding. The Board discussed two reports which it had received, the first "Report on the Structural Organization and the Financial Administration of the Canadian Broadcasting Corporation by Mr. James Thompson, C.A., of the firm of Clarkson, Dilworth, Gordon and Nash", and the second "Report on the Organization and Personnel of the Canadian Broadcasting Corporation by Alan B. Plaunt". Mrs. McClung pointed out that according to the minutes of the previous meeting, it was required that a copy of these reports be furnished to the Chairman and the General Manager as soon as possible. On enquiry the General Manager said that no copy of such reports had been received by the management so far.

It was resolved: That a copy of (1) Report on the Structural Organization and the Financial Administration of the Canadian Broadcasting Corporation by Mr. James Thompson, C.A., of the firm of Clarkson, Dilworth, Gordon and Nash, and (2) Report on the Organization and Personnel of the Canadian Broadcasting Corporation by Alan B. Plaunt be delivered to the General Manager and the Assistant General Manager as soon as possible.

Some discussion then took place with regard to a balance sheet which had been prepared by Mr. James Thompson. The Assistant General Manager pointed out that all the accounts of the Corporation were audited by the Auditor General of Canada. This work was carried on from day to day.

That concludes that extract.

Q. Then the report, I presume, was delivered to the management?—A. The next is from a meeting of the Board of Governors on October 17, 1939. This is the extract:

The Minister of Transport being announced at 11.30 a.m. the Board went into camera.

By Mr. Graydon:

Q. What do you mean by "being announced"?—A. That is the record.

Mr. COLDWELL: He had arrived, I guess.

The WITNESS: We do not have any announcer there.

The CHAIRMAN: He was not there at the opening, probably, but had come in by arrangement and in order to facilitate things—

Mr. GRAYDON: I was just trying to follow those technical terms as well as I could.

The CHAIRMAN: You are doing pretty well.

Mr. COLDWELL: We are dealing with the Radio Commission.

The WITNESS: We come now to the report of the finance committee, and the following is an extract:

November 17, 1939.

(2) The report made by Mr. J. Thompson of the firm of Clark-son, Gordon, Dilworth and Nash was brought to the attention of the committee. Some discussion took place.

It was resolved:—That the management be instructed to place the accounting system of the Corporation on an accrual basis effective forth-with, that a renewals and obsolescence account be established, effective with the year beginning April 1, 1939, and that an amount of \$400,000 be transferred to that account from surplus account.

By Mr. Coldwell:

Q. That was a recommendation in the Thompson report?—A. Yes.

By Mr. Telford:

Q. That is the finance committee?—A. That is the finance committee. These minutes were automatically included at a subsequent meeting of the board so that they have the approval of the board.

By Mr. Graydon:

Q. It would not necessarily be automatic.—A. They were not altered.

Q. I see.—A. Then, on the same date, November 17, 1939, there is the following entry:—

Memorandum from the General Manager to the Assistant General Manager delegating certain powers endorsed by the Finance Committee. (This is already on the record.)

It was read yesterday.

By Mr. Coldwell:

Q. That does not signify the adoption of any part of the Thompson report?—A. No.

Q. That was different?—A. Yes. Then, on the same date I find the following:

The Assistant General Manager then discussed the question of accommodation. After some discussion the following decisions were arrived at:

There were a number of decisions which were irrelevant; the one relevant to this is as follows:

(e) Complete information, comparative figures, with respect to the establishment and estimated cost and operation of a new building in Montreal and operating costs for studios and accommodation now in use.

That was brought forward. These are the extracts from the meeting in October. We now come to the 13th meeting of the Board of Governors, January 22, 1940; and this is the observation:

There is no specific reference to the Plaunt and Thompson reports in the minutes of this meeting. The following, however, may be relevant:

The Management were then asked to withdraw and the Board sat in camera.

Then another extract follows:

The Minister of Transport, the Honourable C. D. Howe, arrived—

Mr. GRAYDON: Not announced?

The WITNESS: No.

—and the Board discussed generally certain matters of policy, particularly in respect to the construction of studios in Montreal.

That concludes that extract. Then under date of January 22, 1940, the same date, the following appears:

The Assistant General Manager read a report dealing with the proposal to establish a combined studio and office building in Montreal and pointed out a number of reasons why it was important that this work should be undertaken at the earliest possible moment. Mr. Nathanson said that he did not feel that the Corporation should deplete the \$500,000 surplus and stated that if the Government would be willing to loan the C.B.C. \$1,000,000, to be amortized over a period of twenty years, at a reasonable rate of interest we would go ahead with the matter, a suggestion agreed to by all the members of the Board. It was decided to discuss the matter with the Minister and ascertain if the Government would be prepared to advance the necessary funds.

That completes the extract from the meeting of January 1940.

By Mr. Graydon:

Q. That was January 22, 1940?—A. Yes.

Q. If I understand these minutes correctly, the Board of Governors were prepared to ask the government to loan them a million dollars for the purpose of putting these structural changes into effect and for the building in Motnreal, while the shortwave station had not been constructed or nothing done about that. However, go ahead.—A. Now we come to the meeting of March 12, 1940. This is a meeting of the finance committee, and in the minutes of that meeting the following appears:—

The General Manager brought forward a scheme of staff classification for the corporation setting forth classes of positions and rates of compensation for each class. After some discussion the committee approved that the executive proceed further with this matter so that the same could be considered at the next meeting of the board.

It was resolved: That the Finance Committee authorize the executive to proceed with the preparation of a scheme of staff classification of positions and rates of compensation for the officers and employees of the Canadian Broadcasting Corporation for each class, provided that increases in salary under this plan, should only take place every second year, and that such increases shall remain subject to withdrawal at the discretion of the Board of Governors in the light of changing circumstances particularly with reference to probable post-war adjustments.

I should like to observe here that was definitely the recommendation, I believe, of both the reports. That was the finance committee meeting March 12. I am now continuing with the finance committee meeting of March 12:—

The Assistant General Manager also explained the preliminary arrangements which had been made to find new quarters in Toronto to house the C.B.C. staff now accommodated at Church Street and Hayter Street, Toronto. The committee authorized the executive to proceed with arrangements for new space in the York Piper Building.

We now come to the fourteenth meeting of April 15, 16, 1940, of the Board of Governors; under which the following appears:—

The minutes of the eleventh meeting of the Finance Committee were read. A general discussion took place regarding the various points contained in these Minutes, particularly with regard to the new accommodation in Toronto and the question of centralization of all the C.B.C. services in Montreal.

Then, on the same date, the following appears:—

Fourteenth Meeting of the Board of Governors, April 15, 16, 1940

Mr. Plaunt then briefly outlined the facts leading up to his investigation of the subsequent report by himself and Mr. Thompson of Messrs. Clarkson, Gordon, Dilworth and Nash, Montreal. The Board agreed that a committee should be formed composed of the Chairman, Messrs. Nathanson, Godfrey and Plaunt to discuss both the reports of Messrs. Thompson and Plaunt and to bring in a final report for the next meeting of the Board.

Then, on the same date, the following appears:—

There was some further discussion on the Thompson Report and on the general question of the centralization of the corporation's activities in Montreal. The chairman pointed out that the committee already named should consider the Plaunt and Thompson reports and bring in a final report for the Board at the next meeting. The provisional classification of positions setting further respective salaries with periodical increases prepared by the executive, was discussed at length by the Board.

Moved by Mr. Nathanson, seconded by Mr. Godfrey,

It was resolved: That the provisional classification of the Canadian Broadcasting Corporation setting forth classes of positions and rates of compensation for each class be approved in principle, provided that notwithstanding any approval formerly given, annual increments on a yearly basis shall apply and further that the total maximum increase for each class shall extend over an average period of ten years instead of over an average of five years.

I should like to interject there, of course, that system of classification is all available for inspection and perhaps may be explained more expeditiously by Dr. Frigon who is more intimate with its details.

We now come to a special meeting of the Board of Governors, June 1, 1940, under which the following appears:—

“There is no specific reference to the reports in the Minutes of this meeting, but the following may be relevant:—

The Board then held a brief consultation in camera, the General Manager, Assistant General Manager and Secretary retiring.”

Then, we come to the fifteenth meeting of the Board of Governors, August 20, 1940, under which the following appears:—

Mr. Plaunt drew to the Board's attention the fact that the Committee named at the April meeting to examine the reorganization reports of himself and Mr. James C. Thompson and to report to the present meeting had not, in fact, met. Mr. Plaunt said he thought it was clearly understood that this committee was to meet immediately prior to the present meeting. He said he wished to make his position in the matter clear to the Board as a whole. The Chairman pointed out that the matter was still in the hands of the committee, but that there seemed to be no reason why it should not be dealt with at the next meeting.

Q. Who said that?—A. The chairman.

By Mr. Coldwell:

Q. Mr. Morin?—A. Yes. Then we come to the 16th meeting of the Board of Governors on November 26, 1940, under which the following appears:—

The Chairman said he felt the first matter which should be discussed by the Board was a criticism of the Corporation and its management which appeared in the press following Mr. Alan Plaunt's resignation. All members of the Board agreed that the information which Mr. Plaunt had handed to the press had mostly been gathered at the investigation which he made at the request of the Board and should have been referred to the Board and discussed with it.

The Board learned that both Mr. Thompson's and Mr. Plaunt's reports were to be tabled in the House of Commons and the Chairman expressed the opinion that the tabling of these reports should be accompanied by a letter explaining the consideration given to these reports up to now. The Chairman was therefore authorized to write to the Honourable C. D. Howe, Minister of Munitions and Supply, on the subject. (This was done under date of November 26, 1940.)

May I interject here, I believe that letter has been in the evidence.

It was also unanimously agreed that a declaration of confidence in the Management should be expressed.

Moved by Mrs. N. L. McClung, seconded by Mr. J. W. Godfrey,

It was resolved:—That the Board regretfully notes the retirement of Alan B. Plaunt and feels impelled to deplore the publicity given in the press on his retirement concerning matters which it believes are those of internal policy solely for consideration by the Board as a whole.

It was further resolved:—That in view of the publicity, and critical reference made concerning the executive management, all members of the Board to-day assembled declare their full and complete confidence in the General Manager, Mr. Gladstone Murray, and the Assistant General Manager, Dr. Augustin Frigon, believing moreover that this opportunity should be taken to express the Board's appreciation and gratitude for the distinguished service they have rendered the Corporation over this trying period. Our national broadcasting system, under their direction, has reached a high level of public service, and in this war period, with its distractions and upheavals has been a powerful factor for the promotion of national unity at home, and goodwill and understanding abroad.

That was on November 26, 1940. Then we come to an extract from the minutes of the 17th meeting of the Board of Governors.

By Mr. Graydon:

Q. Before you come to that may I say I must have missed your evidence as to the notes in connection with the July and August meetings. Did you make some reference to that?—A. Yes.

Q. It will be on the record.—A. It will all be on the record; it started in July.

Q. That was July 1940, not 1939, July and August 1940. I did not catch any reference to the minutes of those two.

By Mr. Coldwell:

Q. August 20, 1940.—A. August 20, yes; June 1940 and then August 1940.

Q. There was a special meeting in July as well?—A. There is no reference to that, if there was.

Q. No reference so far as this is concerned?—A. No. This is an extract from the March 24, 1941, meeting of the Board of Governors:—

Moved by Mr. Godfrey, seconded by Dr. Thomson,

It was resolved:—That the Board establish an Executive Committee as provided for under Section 12 (a) (ii) of the Canadian Broadcasting Act, 1936.

Moved by Mr. Godfrey, seconded by Mr. Nathanson,

It was resolved:—That certain By-laws of the Canadian Broadcasting Corporation be amended as shown in Appendix II annexed hereto, approval from the legal viewpoint to be obtained from the Department of Justice.

Q. Who presented the draft of the new by-laws referred to there?—A. Drafted at a meeting amongst the board—finance committee.

Q. The finance committee drafted them?—A. There is no indication on the record.

Q. They are rather comprehensive by-laws; I thought perhaps there must have been some committee working on them prior to their adoption.—A. I do not know of any.

Q. There is no reference in the minutes of January or whatever the date was?—A. No.

Q. To the fact a committee was appointed or anything of that sort?—A. No.

Q. To draft the by-laws?—A. No.

By Mr. Claxton:

Q. Did the draft come from the management or the Board of Governors or the Department of Justice?—A. The Board of Governors.

Q. They were developed without management initiative?—A. I had nothing to do with it, I do not know if anybody else had—I am told no.

Q. The Board of Governors?—A. Then on April 19, 1941, there was a meeting of the finance committee and the minute reads as follows:—

The Assistant General Manager brought forward new proposed salary scales covering the technical staff. He explained the need for an increase in salaries for the various grades. The General Manager introduced a new scale of salaries for the program staff to be effective as from April 1, 1941. These new scales were approved by the committee and are annexed hereto as Appendices I, II and III. The salary classifications for the other divisions remain unchanged, except for the annual increment which is set at approximately 5 per cent as originally planned.

Then, a meeting of the Board of Governors on June 9, 1941.

By Mr. Coldwell:

Q. May I interject a question there? The Board of Governors, as I understand it, in March decided that some by-laws would be submitted to the Department of Justice. Were these by-laws approved by the board or how were they approved?—A. We will come to that, I think. I think what happened was they had already been approved subject to submission to the Department of Justice.

Q. Would a report be sent by the Department of Justice to the board and received by the board?—A. It was submitted to the corporation.

Q. Is there a reference to that?—A. It is not in the board's minutes but is on the files apparently.

Q. The letter of the Department of Justice would be referred to the board?—A. It was referred to the board but not mentioned in the minutes.

Q. As I understand it, the by-laws were adopted subject to the approval of the Department of Justice?—A. Yes.

Q. Before the by-laws could become operative would it not be necessary for the board to receive a report that the by-laws were valid or not?—A. It was left for the Department of Justice. In the event of agreement they would be implemented; in the event of disagreement there would have to be another reference to the board. That is the customary procedure.

Q. The minutes did not show that, and that is why I asked.—A. Perhaps I had better read that again:—

That certain by-laws of the Canadian Broadcasting Corporation be amended as shown in Appendix II annexed hereto, approval from the legal viewpoint to be obtained from the Department of Justice.

That is the exact quotation. My rendering of that would be that in accordance with their procedure if there was no objection then the thing is automatic.

Q. It went to the Governor General in Council and an order in council was passed?—A. Yes. Now, I continue with the minutes. I now come to the 18th meeting of the Board of Governors, June 9, 1941, in which the following appears:—

The Chairman pointed out that the new by-laws provided for the appointment of a Controller of Finance. The board felt that until further consideration was given to the matter the Assistant General Manager should undertake this direction.

Moved by Mr. Nathanson, seconded by Canon Fuller, it was resolved,—That Augustin Frigon, Assistant General Manager, be appointed Controller of Finance, pursuant to by-law No. 7, subsection 3 (a).

That, Mr. Chairman, completes the extracts from the minutes and comment on all matters that appear to refer to these two reports.

Q. So that Mr. Plaunt's report, except the reading of it, after he resigned from the board, was not really dealt with at all? Is that the situation?—A. I cannot answer that question because as I have pointed out there were frequently meetings in camera where there were deliberations of which there is no record.

Q. Is it not possible that the matters in camera dealt with subjects not relating to the subject matter of the report?—A. I could not say.

Q. You could not say?—A. No.

Q. Is not that a valid supposition?—A. It is a reasonable deduction.

Q. Just as valid as that the reports were discussed in camera?—A. Mr. Chairman, is it your wish now that I should deal with the memorandum that Mr. Coldwell asked about yesterday?

Mr. GRAYDON: That has to do with controversial broadcasting?

The CHAIRMAN: Yes. Let us continue with the recommendations.

Mr. COLDWELL: Let us finish the recommendations.

The WITNESS: We had reached recommendation 8 of the Thompson report:—

That the duties and responsibilities of the staff, their status in the organization and the proper channels of communication between members of the staff, the senior officials and the management should be clearly defined in order that the administration may be carried out smoothly and effectively.

Here are the comments. During the fall and spring of 1939-1940, a complete staff survey was carried out. Each employee was personally interviewed by the chief executive assistant and in addition to the official view of his duties—

By Mr. Graydon:

Q. Who is the chief executive assistant?—A. Mr. Manson.—His own version of his duties and responsibilities ascertained. These were then correlated with the duties of the individual as laid down by his immediate superior. At the same time, each employee was given an opportunity of stating in private any complaints or grievances which he felt existed. In addition, the employee's attitude towards his work and his capabilities for future adjustment were carefully noted, special reference being taken of the individual's hopes and aspirations, with a special note as to feeling concerning future financial reward.

During the course of this survey, employees were advised as to the proper method they should adopt if they felt they had a grievance or if they wished to bring to the attention of the management any matters concerning the corporation's business which lay outside the realm of their particular sphere of activity. This plan was later supplemented by the setting up of the staff councils which has already been described by Dr. Frigon. So I would take it that it is fair to assume that that recommendation was implemented to the extent that it had not already been implemented.

Q. What do you mean by "ascertain the version of the people as to the scope of their activities in the corporation"?—A. Well, because in the early stages of a rapidly growing business like this an actual definition of a particular function is difficult. When the thing reaches a stage where you can put the actual definition of the function on paper, it is important to get the agreement of the individual to that definition. There was a period in which there was some confusion between the individual's definition of his function and the official definition. It was necessary to correlate those two.

Q. I can understand perhaps that to those of us who are not experts in a business such as this it may seem strange but perhaps not strange to you as general manager. But surely they must have known what their scope of activities was.—A. Not exactly. You take an announcer. In the earlier stages an announcer probably would have to turn his hand to production, and may have had to turn his hand to clerical work. But when we reach the stage of more specialization the function of the announcer can be set out precisely. Perhaps he might wish to be a producer. I do not think there is anything mysterious about it. In fact it seems to me it is perhaps a characteristic of humane administration; in evolving a business of this kind naturally the human factor has to be predominant. That is the observation on recommendation No. 8.

Q. What do you mean by "hopes and aspirations"?—A. Well, certainly ultimately we want to try to make a profession out of this and we want people to look forward, to get an idea what they will do if they are satisfactory in their jobs and what they think should be happening ten years hence.

Q. You want to get their own estimate?—A. Yes, that is the doctrine behind it.

Q. Would their estimate and that of the corporation coincide?—A. Not necessarily.

By the Chairman:

Q. Never?—A. No, which reminds me of the late Lord Northcliffe. He once visited his office in Glasgow and went around and had a meeting of the staff. He called the assistant general manager in and he said, "Are you satisfied with your work?" The assistant general manager said, "Yes." He fired him on the spot. I now come to No. 9.

Q. I suppose there is no comparable case of that kind in this corporation?—A. Not to my knowledge. I now come to No. 9:—

That a review be made of the basis of remuneration for the various positions in the organization having in mind their relative importance; also, that the apprenticeship system be adopted wherever possible.

Now, as I have already read from the records of the board of the 11th meeting of the finance committee held on March 12, 1940, I brought forward a scheme of staff classification for the corporation setting forth classes of positions and rates of compensation for each class. This was approved by the committee after a great deal of scrutiny and study. During the course of the personnel survey mentioned above, each individual's expectations in the matter of money return was ascertained. It was discovered that a large number of employees were content or reasonably so. A new classification of personnel, designed especially for the C.B.C., with fixed increases varying in amounts dependent upon the type of work being done, was drawn up. At the completion of the survey, each employee was notified by letter of his classification with the minimum and maximum salaries for the particular job he was doing, and the amount of annual increase he could expect providing his work progressed satisfactorily during the year and his increment was earned. At the same time, each employee was notified as to the amount of his annual stipend for the coming twelve months.

The system of apprenticeship had been used—

By the Chairman:

Q. In addition to that revised schedule of wages had the employees of the C.B.C. any scheme of their own with reference to retirement or superannuation? They do not come under the Superannuation Act, do they?—A. No; there is a limited scheme. Dr. Frigon has full details of that, as well as of pension schemes. It has been mentioned. That can be dealt with by him.

By Mr. Graydon:

Q. Dr. Frigon touched on it but not with great elaboration.—A. There is a limited insurance scheme at the present time, but it does not go very far; it is a group insurance scheme.

By the Chairman:

Q. Does that scheme come under the annuities branch or is it a private scheme?—A. A private scheme. I would rather leave the whole subject of pensions for him to explain, as it is a matter that does not come under me.

Mr. COLDWELL: When Dr. Frigon was on the stand the question of a pension scheme was touched on.

Dr. FRIGON: I filed some documents, I think.

Mr. COLDWELL: I think the answer can be summarized in this way: nothing was done, but it is still under consideration.

Dr. FRIGON: Right.

The WITNESS: It would be a good question to put to Mr. Nathanson as well. I think he is very much interested in that. The apprenticeship method was tried experimentally before the war and it was successful so far as we were able to go. Plans were made for developing it. It is a fact that has been laid down as a policy of the corporation by the Board of Governors that suitable candidates for employment with the C.B.C. should be offered a term of apprenticeship so that they may acquire at least a working knowledge of the various divisions of the business, to be tested but before appointment. During war time, however, with many calls being made upon young men and with the necessary retrenchment for economic purposes so far as staff is concerned, the apprenticeship system is hard to apply and especially since the inauguration of the National Resources Mobilization Act. To have apprentices suddenly required to absent themselves for military training would create insurmountable difficulties. In addition, there is also the question of young men volunteering to serve in one or other of the armed forces. Those eligible for the apprenticeship scheme would be, for the most part, those liable for military service.

No. 10 recommended:—

That the present secretary's department be abolished and its functions undertaken by the proposed executive secretariat and the proposed financial controller's department, respectively.

This matter was touched upon by observations made following recommendation No. 6. As long as the treasurer is kept advised of any commitments with respect to either increases in staff or increases in salary for existing staff, the functions of the secretary, who is charged with responsibility of personnel as a whole, are best left with him. It has been found much more satisfactory to have a definite division between financial control and control of personnel records, etc. At the present time the secretariat is responsible for the safekeeping of all documents, communications, files, etc.; the establishment of efficient office management at the various centres at which the C.B.C. operates, and the collection and collation of information regarding such specialized subjects as copyright, etc.

By Mr. Graydon:

Q. He is responsible for seeing nobody gets at the Board of Governors?—

A. No; he is the secretary of the corporation, not the secretary of the Board of Governors. The secretary of the corporation is Colonel Landry. If Mr. Claxton were here he would have personal knowledge, because he had a lot of direct contact with the secretary on this subject of copyright. The preparation of reports and information required for and on behalf of the Board of Governors is properly a function of the executive unit under the direct supervision of the general manager and his assistant, who know what is required. Therefore that recommendation has not been accepted for the reason given.

I now come to recommendation 11:—

That a review of the rates presently charged for commercial programs be made and the rates increased if deemed advisable.

Network rates for commercial programs in Canada are demonstrably lower on a comparative basis than those in the United States. Up until recently, however, advertisers looked upon national network broadcasting in Canada as an unknown quantity, a medium with which they had had little previous experience

and no standards as to results by which to guide them. It was necessary, therefore, in the first place, to set an arbitrary charge for the facilities used, the lowest possible figure consistent with prudent business practice of obtaining a reasonable profit. The yardstick had to be evolved in practice. A review has been undertaken and a report made as to the possibility of increasing commercial charges.

By Mr. Coldwell:

Q. When was this review made?—A. It was made three years ago, and it has been made annually since. That is within the immediate province of Dr. Frigon who will be in a position to explain it in detail. I would simply observe that it was not considered desirable especially after the outbreak of war to recast those rates, not knowing from month to month what the effect of the impact of war would be on the whole advertising structure. That was No. 11.

Q. Have you examined the reports of the private stations to see how they are faring in their advertising?—A. I understand that they are doing reasonably well but I have not examined the actual reports; Dr. Frigon may have.

Q. To make some comparison between the advertising of the private stations— —A. We have no access, of course, to their figures.

Q. Except the published reports of the profits made.

Mr. GRAYDON: That is not in their province.

Mr. COLDWELL: I just wondered if the management had kept its eye on what was happening in the private stations to give them some idea of how they fared in comparison.

The WITNESS: I think it is watched as a normal business routine. Having dealt with the 11 recommendations of the Thompson report, is it the wish of the committee that I shall proceed now with the specific recommendations in the Plaunt report?

By Mr. Coldwell:

Q. I think it is fair comment to make to say that this report was never considered by the board as a whole or discussed clause by clause by the board. What you have done this morning is to show us that other recommendations which came up from the management and which had some relationship to parts of this report were discussed and adopted from time to time. I think that is a fair statement.—A. Mr. Chairman, I am in this difficulty: I feel morally certain that the whole report was read with great care by each member of the board, and I feel there were long discussions too in these private meetings.

Q. Mr. Morin did not say that.—A. I am not responsible for the board.

Q. If it was discussed there should be some record of the discussion in the minutes.—A. Well, I think, perhaps that question could properly be addressed either to the chairman or the vice-chairman.

Q. I think it was addressed to the chairman and if I remember rightly he said it had not been discussed but had been distributed among the members who had read it.—A. I have only speculations to go on so I had better not do any more guessing.

Q. It appears to me what you have done this morning is to show us that from time to time you had made certain recommendations and that in some respects they did relate to certain aspects of those reports; but I think the board itself which authorized these reports did not discuss the reports as reports, and did not go over them clause by clause.

Mr. HANSON: Is it not reasonable to expect they must have done that when they all had copies of them and had special meetings in camera? It is reasonable to expect they must have discussed the reports.

Mr. COLDWELL: There is no record of it.

Mr. HANSON: That is most unfortunate.

Mr. GRAYDON: I would be inclined to agree with Mr. Hanson on that point except for one thing, and that is the fact the report had been in the hands of the Board of Governors for one whole year. One of the men who had made the report resigned over the fact of the failure of the Board of Governors adequately to deal with it. That, I think, sweeps away the argument with respect to the fact that this report was really dealt with in toto by the board. It seems that in the April meeting of 1940 a committee of three was set up. This is the first I have heard of that.

The WITNESS: A committee of four. It has been mentioned by the chairman.

By Mr. Graydon:

Q. It must have escaped my attention when he gave it because that committee was appointed in April. Then there was another meeting in June, on June 1. My notes of your reading of those minutes to-day would indicate that Mr. Plaunt desired to make his position clear in connection with the whole matter once more, and said that the committee had never met in the meantime to discuss the report. The fact that a committee of four was appointed in April of 1940 to deal with this report would indicate that the report had not been dealt with except in a patchwork way previous to that time, and there is no evidence apparently in the minutes to indicate that even after that committee had been appointed it ever gave consideration to the report at all.

The CHAIRMAN: Here is the letter of Mr. Morin to Mr. Howe, dated November 26, 1940, which definitely states:—

The Finance Committee and the members of the Board in the meantime have been individually considering and studying these reports.

That appears on page 51 of the minutes of evidence of this committee.

Mr. GRAYDON: There is the indication of how much study was given by individuals in connection with the report. It is not a question of a report to the individual members at all. There is no suggestion when the report was ordered and authorized by the Board of Governors that it was simply the individual members of the board who were dealing with it. Surely if money was to be spent and a report was necessary then there ought to be some particular evidence before the committee in order to show that the Board of Governors had actually dealt with it at a full meeting. There is not a tittle of evidence adduced before this committee by the chairman of the Board of Governors or by the management or by reference to the minutes which would show that there ever was a special meeting of this board called to deal with either of those two reports. If there is then I should like to know where it is.

The WITNESS: Perhaps it would assist the committee if I were to refer back to the evidence given by the chairman of the board on page 72. The question was:—

Was there any special meeting of the Board of Governors called to deal with either of these two reports?—A. No. Let me tell you this, it was at the spring meeting, it was the first meeting attended by Mr. Plaunt after he made his report that it was decided to appoint a committee including Mr. Plaunt, composed of Mr. Godfrey, Mr. Nathanson, Mr. Plaunt and myself, to hear Mr. Plaunt give his verbal explanation. Then Mr. Plaunt left for Bermuda. He was still a sick man, so the meeting had to be postponed and on his return from Bermuda we decided to call a meeting the 7th or 8th of June and we had agreed on that, but unfortunately I think it was Mr. Godfrey or Mr. Nathanson wired or telephoned that he could not attend on the date on which it had been set so the

committee decided to deal with it at the meeting to take place later on, and we had in mind going carefully over the Plaunt report at that meeting. Unfortunately we had to receive delegations and to deal with the news, and we spent two days on it. Certain members of the board felt that they had other engagements that they had to go back, so it was impossible to deal with Plaunt's report because Mr. Plaunt wanted to have a full day on it.

That is the extract.

Mr. GRAYDON: That only emphasizes what I have said with respect to it.

The WITNESS: Is it your desire now to proceed with the next point?

The CHAIRMAN: Is there any further discussion?

Mr. GRAYDON: There is just one point I should like to bring up before you leave the Thompson report, and that is in connection with recommendation No. 8 on page 27:—

That the duties and responsibilities of the staff, their status in the organization and the proper channels of communication between members of the staff, the senior officials and the management should be clearly defined in order that the administration may be carried out smoothly and effectively. A chart of the suggested revised plan of administration is attached—

Now, that chart is chart F, and on that chart is set out the suggested plan of administration. I wonder if you, Major Murray, would be good enough before we leave this report to indicate the main differences between the suggested plan of set-up made by Mr. Thompson and that which now legally exists so far as the corporation is concerned?—A. Well, one difference is there is no central headquarters. You notice there in the square in the middle appears "General Manager, Assistant General Manager (both at executive headquarters)." He may have considered there would be a broadcasting house. There is no central headquarters for the whole business in terms of housing, I mean. We have our headquarters here, but our engineering is in Montreal and our programs are in Toronto.

Q. This refers to executive headquarters?—A. Main executive headquarters.

Q. In Ottawa?—A. Yes, but I think he had in mind a broadcasting house.

Q. He did not say that in this case, he very definitely says, "both at executive headquarters".—A. If that is not relevant then another important difference is of course the division of responsibility on equality basis between the two executive officers, the general manager and the assistant general manager, and the third point is the executive secretariat was not set up, for reasons which I shall give in the observations I have to make on the point in the Plaunt report.

Q. The executive secretariat was not set up and the general manager and the assistant general manager points were not carried out as suggested by this report. What about the chief administrative assistant?—A. That was not carried out for reasons—

Q. What about the executive liaison representative?—A. That was not carried out.

Q. Well, now, what about those headquarters departments which appear a little in on the chart there? Headquarters departments seem to emanate from the general manager and the assistant general manager who appear to have control over the headquarters departments? Then, under headquarters departments appear these main headings: General Supervisor of Programs, Traffic Manager, Commercial Manager, Supervisor of Press and Information, Supervisor of Station Relations, Chief Engineer and Financial Controller. Was that set-up carried out in accordance with the Thompson report?—A. No.

Q. Now with regard to the regional organization—they have here R.R. What does that mean?—A. Regional representatives.

Q. And regional representatives for British Columbia, the Prairies, Ontario, Quebec and the Maritimes. Was that carried out?—A. That was according to existing practice.

Q. So far as the Thompson report is concerned in regard to this chart and suggested plan of administration that report was not adopted in any particular, so far as I can get from your evidence?—A. It is not adopted as a whole, but I think it influenced in some parts the organization which has been charted and distributed already, but there are fundamental differences.

Q. Yes, I think you can say fundamental differences. I think that is a good word because I cannot see very much parallel, as a matter of fact, in the main recommendations of the suggested plan of administration of Thompson and that which is actually carried out. He certainly did not recommend this executive committee should manage the affairs of the C.B.C. I think that post-dated the meeting; it must have come from some very fertile mind other than Mr. Thompson's. I think those are all the questions I have to ask at the moment on the Thompson report.

The CHAIRMAN: Has any member any further questions to ask with reference to the Thompson report? If there are no further questions we will proceed to the Plaunt report.

The WITNESS: Mr. Chairman and gentlemen, it is not quite as simple going through this report as through the Thompson report because of the numbering, but I should like to get to the recommendations on page 3. If there are matters that you wish to discuss in the early pages of the report I would ask you to defer them to the end. On page 3 of the Plaunt report there is a reference as follows:—

(i) Importance of proper system of financial control.

This problem of financial control has been already covered in No. 6, dealing with the Thompson recommendation. With the appointment of a supervisor of expenditures, under the direction of the assistant general manager, whose duty it is to implement the decisions of the finance committee of the Board of Governors with respect to the control of C.B.C. expenditures on a commitment basis, it is felt that adequate supervision is being exercised to ensure that the maximum possible amount of the budget is being made available for program expenditures.

By Mr. Coldwell:

Q. Now, arising out of the mention of "financial control," after Mr. Plaunt resigned he made a statement to the press which I placed on the record and which is dated 27th November, 1940, in which he said, as is shown on page 134 of the record:—

By failing to do so they are, in effect, condoning very serious internal conditions and irregularities as well as certain policies which are indefensibly partisan and harmful.

The general manager himself in the early part of his evidence said he would go into this matter of finances of the organization and I think probably this is just as good a place to do it as any other place. I asked Mr. Morin a question about a letter from Mr. Watson Sellar regarding certain expense accounts and Mr. Morin was not very clear about it. I asked him if he could give me any explanation or reason why this letter was written which appears on page 74 of the record, and his answer was no.

I said:—

Q. You have no knowledge. Was this letter brought before the board?—A. I do not remember.

Now, was that letter brought before the board, do you know?—A. There is no reference in the minutes, but as soon as I was aware of the matter I at once had a reference made to the Department of Justice and the ruling I got was that nothing, as I mentioned in my first evidence—nothing illegal had been done. In other words, that the procedure followed by the board was in accordance with the right practice under the constitution.

Q. Now, when this letter was written by Mr. Watson Sellar did Mr. Howe take it up with you?—A. I do not recollect having any discussion with Mr. Howe on the matter.

Q. Well, I want to find out if I can, what was behind this: "The accounts show that \$20 is the amount claimed by the general manager, but this has apparently been selected by himself as being commensurate with his disbursements. The sum involved is not of concern, but it seems to me probable that the decision in such a matter is associated with the powers of the Governor in Council, or is one which rests with the board." That is at page 74 of the record?—A. So far as the \$20 a day was concerned, that I immediately took steps to have washed out and arranged that in future the only payments that would be made would be against actual bills and that the payments would be made not by me but by the treasurer of the corporation. So Dr. Frigon and I both had voluntarily said we would in future draw no per diem allowance, the per diem allowance system would apply only to other members of the staff, and there is a regular arrangement for that.

Q. What is the exact situation now with regard to yourself?—A. With regard to myself the exact situation is that when I am away from Ottawa travelling on duty I get no allowance. My bills are passed to the treasurer who pays them and then they all go before the finance committee and they are reviewed at each meeting.

Q. So there is a salary which amounts to what?—A. I get \$13,000.

Q. Is there a base allowance?—A. \$3,000 base allowance.

Q. And travelling expense?—A. Just as incurred.

Q. As to the amounts billed?—A. As incurred.

Q. When was that change made?—A. April last year.

Q. April 1941?—A. Yes.

Q. That was subsequent to the letter of Mr. Watson Sellar?—A. I do not recall the date of the letter.

Q. February 25, 1941, I think, was it? Is that right?—A. The letter was not sent to us. As a matter of fact, I only heard of the letter indirectly.

Q. What did Mr. Howe do about it?—A. I don't know.

Q. It never came before the Board of Governors?—A. It may have.

Q. Mr. Morin says no.—A. Then, he is the one to answer. It did not come before the board when I was there in any event.

Q. In previous years, had there been any other allowance besides those I have spoken of this morning?—A. No, except the other system was arranged that I had a per diem; instead of putting in my hotel bills I had a per diem payment.

Q. Was there any special allowance in 1938 for intelligence work?—A. No.

Q. Were any charges made amounting to between \$1,000 and \$2,000 for the intelligence work?—A. Not that I can recall. I will have the accounts looked up. I have the whole story here from the very beginning. On the 9th March, 1937, the general manager was granted by the board an allowance at a base of \$1,500 per annum. It was understood that this was to be a contribution to necessary standard of living at base. On the 22nd March, 1938, this was raised to the sum of \$4,800 per annum.

By Mr. Graydon:

Q. On what date?—A. The 22nd March, 1938.

By Mr. Claxton:

Q. There is none prior to the 9th March, 1937?—A. No.

By Mr. Graydon:

Q. What was your salary at that time?—A. It has been the same throughout, \$13,000. In June, 1941, at my own initiative this base allowance was reduced to \$3,000 per annum. That is the history of that. I tried to set up the outline of it on page 169 of the record. That is an outline of it. The per diem allowance business was as follows: Until April 1, 1939, it was \$10 a day, travelling, and after April 1, 1939, that became \$20, which was washed out entirely on the 31st March, 1941.

By Mr. Claxton:

Q. Was that per diem allowance in lieu of hotel expenses?—A. Yes.

Q. But not the travelling—transportation?—A. Not the rail fare, but all taxi-cab fares.

By Mr. Graydon:

Q. Transportation was in addition to \$20 a day?—A. Yes.

By Mr. Coldwell:

Q. What was the total amount paid out in those years for those items?—A. As I gave the figure, it was an average of \$205 a month from November 2, 1936, when the C.B.C. started to December 31, 1941: "... the expenditure claimed and paid, away from base, in the normal conduct of duty, averaged \$2,435 a year or about \$205 a month, and that is decreasing. This expenditure was meant to be a contribution to the cost of business, social and public relations contacts, away from Ottawa, regarded as important in the development of the C.B.C."

That is on page 170: "In a normal week there was a day in Toronto and a day in Montreal, with occasional visits to New York and Washington. The whole of Canada had to be covered periodically, with particular attention to the main production centres at Halifax, Winnipeg, and Vancouver, and due regard to other broadcasting centres. In all this there has been nothing sub rosa, nothing hidden. The record of the day by day cost to the corporation of my expenses was kept meticulously as a matter of ordinary accounting routine, and was regularly audited by the representative of the Auditor General." I was glad to hear that the treasurer is going to be on the stand, because our treasurer knows more about this than I do. If you want any more matters of detail he can produce them. He agreed that the statement which I brought forward was correct.

By the Chairman:

Q. Two hundred and five dollars a month would mean about 10 days at \$20 a day, which would indicate that about one-third of your time only was spent away from Ottawa on business of the corporation?—A. About one-third, perhaps a little more. If it is satisfactory to you perhaps it would be better to ask the treasurer any further questions along that line.

Mr. COLDWELL: Yes.

By Mr. Graydon:

Q. You were granted expenses of \$20 a day? Was that in actual practice close to the amount you spent or a little bit more than what you spent?—A. No, it was invariably less. As a matter of fact, I am in a much better position since my bills go in.

Q. You are in a better position since your bills are being paid direct?—A. Yes.

Q. Of course it is very difficult for anyone who is as far away from the actual operations as members of the committee are to be able to form an accurate picture of what a person in your position would have to do on visits that you make from time to time. Twenty dollars a day for the average person seems a lot of money, and out of public funds it is quite a large amount. I suppose that would be taken up in meals, hotel expenses, etc.?—A. Oh yes. I tried to make it clear at the beginning that it meant doing something not too different from what the heads of the American chains do, for example, with whom we do a great deal of business. We also do a great deal of business with the leaders of industry generally. This has been the custom, as I have already said, and increasingly so with the pressure of war in the two years when the United States was not at war and we were. In that time our situation was very difficult and it required the exercise of the utmost personal influence with the chief executives of corresponding organizations to get around difficulties which in the ordinary way would be insurmountable. I raise that as one point.

Now those per diem allowances that have been mentioned and which refer to the staff, I think, had better be cleared up by me. Those who get salaries up to \$1,990 per year get a per diem allowance of \$6, which is supposed to cover hotel bills, meals, tips, taxis, local calls, laundry. This applies to all officers and employees.

Then there is the second class which gets \$8 per day and the salary ranges up to \$3,499 per annum.

Q. Nobody has to do his own washing anyway when he is away.—A. No, that is a safeguard. Then over \$3,500 the per diem allowance is \$10.

By Mr. Coldwell:

Q. Was there any item charged for the securing of statistical and other information as a personal expenditure?—A. Well, I will look that up; not to my recollection. I will have the records searched. I have no recollection of such an item.

Q. On the matter of the special intelligence fund, which apparently does not exist or did not exist— —A. No, we have no intelligence fund.

Q. You never had that?—A. No, we had no intelligence fund, we did have one in the B.B.C. but not here.

Q. What was the total amount you gave of the average per day over a period of years, what was the total amount, for example, collected on expenses in the year ending March 31, 1939?—A. In the year ending March 31, 1939, \$1,342.89.

Q. Were any expenditures made during that year that were not authorized by the board?—A. No, I cannot recall any. Certainly they are all reviewed in the most intimate detail. You see, there are three checks, our own treasurer, and then there is a second check in the case of the controller of finance. Then there is the Auditor General's representative who is in constant attendance. He is an officer living on our premises; he makes reports constantly and independently of us. Then there is the finance committee which reviews everything, and that committee examines every hotel bill that is incurred.

By Mr. Claxton:

Q. Has the per diem allowance always been \$20 or has it been changed?—A. I gave that.

Q. I am sorry I did not catch it.—A. Until April 1, 1939, it was \$10 a day. Then for the next year it was \$20 a day, and then it was all washed out.

By Mr. Coldwell:

Q. Were any payments made for coverage surveys during the year 1938-39 or the year 1939-40?—A. Payments to whom?

Q. To any person for coverage surveys.—A. In the year ending—

Q. March 31, 1939, or March 31, 1940?—A. I will have that looked up. We have the Haines report.

Q. If that can be found will you tell me to what account it was charged and how?—A. Coverage reports for the year ending March 31, 1939?

Q. And March 31, 1940, statistical surveys, public reactions and coverage reports for those two years and accounts.—A. And the accounts to which it was charged.

By Mr. Claxton:

Q. Was there ever any discussion between you and the board on the subject of consolidating your base allowances with your salary and giving the two together in the form of an increase in salary?—A. There were discussions, but no action was taken.

Q. Did the discussions result in minutes being entered of recommendations to be discussed with Mr. Howe?—A. Well, I should like to look that up; I do not remember that. I will have another search made through the minutes.

By Mr. Graydon:

Q. How does your salary rank with the other officials at the top of the C.B.C., Major Murray?—A. Well, it is \$1,000 more than Dr. Frigon, and it is considerably more than the others. Mr. Bushnell is next.

Q. I was not anxious to have a complete survey made of that, but I was wondering just how you and Dr. Frigon ranked so far as salaries are concerned. Dr. Frigon is also on the same basis in respect to expense accounts?—A. Yes.

Q. As much as yours?—A. The same basis, the same allowance.

By Mr. Coldwell:

Q. The base allowance is the same?—A. Yes.

Q. The allowance is the same?—A. Yes.

By the Chairman:

Q. Are those salaries on a year to year basis or a term contract?—A. There is no term contract so far as I am concerned. I was told when I came here it was on an hour to hour basis. Dr. Frigon reminds me he was getting \$15 per diem when I was getting \$20. If there are comparisons about salaries, may I say they are always invidious; but in this kind of a business it might interest the committee to know that in relation to the responsibility and the nature of the work my reward is about one-third of that which is common in other countries. I do not raise that in any sense of complaint; I want to make the point that it is not excessive in relation to the standards.

Q. Have you knowledge of what the salary would be of a man in a comparable position in the United States?—A. Yes.

By Mr. Hanson:

Q. How does your salary compare with the salary of the general manager of the Columbia Broadcasting System?—A. The lowest comparable salary in the United States is \$50,000 a year with \$10,000 allowances, tax free, and the highest is \$300,000 a year, which is the normally regarded income of the head of Columbia, but that is, of course, due to his being part owner of the concern; the actual normal reward is \$50,000 with \$10,000 allowances.

Q. To the general manager?—A. Yes, or the corresponding position.

Q. And the remainder of the staff being proportionately high?—A. Yes, but they deal in colossal sums. It is unfair to make a comparison. We are a relatively small concern. We deal in \$4 or \$5 millions in the year and they deal in \$80 to \$90 millions a year.

By the Chairman:

Q. Probably in most instances they are part owners of the organization?—A. Only in the case of Columbia.

Q. What is the salary of the general manager of the B.B.C.?—A. I read the question and answer given in the Imperial House of Commons in which the Minister of Information said he declined to give that information because it was a matter of internal management. Now it would be unfair for me to make public what has been declined there; but I can tell you it is very substantially greater.

Q. That is fair enough.

By Mr. Graydon:

Q. I realize a comparison of salaries is as Major Murray says, always invidious. But you have to keep in mind, however, that this is a matter of public interest. We have to keep in mind that there are so many differences in income returns to different branches and sections of our population and for that reason we have to be extremely careful that men are not overpaid in any event in connection with public service or any other type of service to-day. This is a matter of public concern. A comparison between American broadcasting officials' salaries and the C.B.C. may show that salaries here to-day are not exorbitant and still when one compares the income of some people with the officials here it makes them look very very large. I come from a part of Canada where the incomes in many instances are pretty low and people have a lot of trouble getting along. The mentioning of large salaries is always a matter of considerable concern. For that reason I brought the matter up.

The CHAIRMAN: Proceed.

The WITNESS: I have taken as my second point the following:—

No new capital commitments until additional \$500,000 per annum is made available for program purposes.

It is readily understood, of course, that there are certain fixed charges which must be met each year, irrespective of any new outlays or capital expenditures. In addition, owing to depreciation and obsolescence certain funds must be available each year for necessary capital commitments. However, especially in view of the war and of the need of preserving as much money as possible for the purpose of producing programs to sustain the morale on the home front, new capital expenditures have been kept to a minimum. New studio construction, new office accommodation, etc., have been held in abeyance until the end of the war. The money thus saved is being used for the most part in building programs.

I would say that this recommendation very definitely has been adopted and I will give you the figures.

Now, with regard to programs, at the time this recommendation was made there were available the figures for the financial year 1938-39, in which year on programs we spent \$1,339,017. For the year 1941-42, the year just finished, that had increased to \$1,721,755, and for the current year we have budgeted for the amount of \$2,091,644. It will be seen therefore that the figure estimated for 1942-43—and it is a figure which will be increased because

wherever we can secure any extra revenue priority is given to programs—shows an increase of \$698,627 over the figure for 1938-39, which was the figure on which Mr. Plaunt's report was based. So I can definitely feel that we have made the kind of extra provision for programs which Mr. Plaunt so rightfully advocated.

By Mr. Graydon:

Q. Do you feel that your present program arrangements from the standpoint of extent and finances are sufficient? Do you feel you ought to have a more extensive program arrangement?—A. Oh, certainly, but there is this elusive factor. You can spend any amount of money on programs, there is no limit to it. You can double your rehearsal time, thereby very considerably increasing the quality of your music; act as they have done in the B.B.C. when during the war they have given full time employment to a whole corps of artists, placing them all around the country. There are all kinds of developments you can carry out. I would say this, that I think in relation to our problem we have made as fast progress as it was safe to make. We can still absorb lots more money in programs, but the stress which we had to go through in 1937-38 has eased. In other words, there is a little elbow room. When Mr. Bushnell comes along with a special project which is the brain wave of one of his fertile advisers—

Q. Or his own brain wave?—A. Or his own, we can do something about it. It is this elbow room which is so very important. There must be some flexibility in this budgeting.

Q. You feel that a normal development has transpired in respect to programs?—A. Yes.

Q. Major Murray, I do not want to labour this point with you, and perhaps I should ask Mr. Bushnell when he comes on the stand, with regard to programs, is the public reaction as indicated by letter and otherwise taken into consideration with respect to changes and different types of programs that will be put on in the future by the corporation?—A. Oh, constantly.

Q. You watch that very carefully?—A. Very carefully; I tried to illustrate that in evidence already given by reference to the proceedings of this monthly program conference, which always starts on the basis of evidence brought forward on public reaction, to changing war moods, and so on.

Q. I do not want to pursue that point because I do not want to go into programs again, because I think we have had enough discussion and we want to get on with the Plaunt report—A. No. 3:—

Revision of salaries and reclassification of staff.—Now I fell, Mr. Chairman, that this point has been met by the evidence already given; it was in process of being met and certainly the procedure was expedited by this recommendation of Mr. Plaunt's. I think the committee should have the new salary ranges and the whole business of reclassification. That will be the best way in which to ascertain the truth of my statement that we have implemented this recommendation.

By Mr. Coldwell:

Q. That will be placed on the record?—A. Yes.

By the Chairman:

Q. Did you follow out this recommendation with reference to having only two classifications, what are known as branches and producers?—A. Not quite. It is obvious from a study of what was done that this principle of having an orderly system and a reasonable basis of reward for services defined was adopted.

Q. As of what date?—A. April 1, 1941.

By Mr. Isnor:

Q. Does the table which you are going to file show a comparison of the former salaries with the revised salaries?—A. I am afraid not.

By the Chairman:

Q. In the report on page 5 Mr. Plaunt says you have presently three classifications, juniors with a salary range of \$1,700 to \$2,340, producers with a range from \$2,400 to \$2,880, and senior producers with a salary range of \$3,000 to \$3,600. That would probably cover the point.

Mr. ISNOR: No, it does not cover the point.

The CHAIRMAN: Do you mean individuals?

Mr. ISNOR: No, he said he was going to give us the new classification. I should like to have the classes that formerly existed along with the new reclassification.

The CHAIRMAN: These are the former ones, and the new ones will be compared with them.

By Mr. Isnor:

Q. Are you going to give the two so we will have a record of this other report?—A. They are set up here; for example, under production producers there are four grades. They start at \$1,800 and go up to \$4,000. If it will be of assistance to the committee and meets the purpose of Mr. Isnor I will have special notes prepared for circulation on the point from which you can make a comparison. It would be a tremendous amount of labour to duplicate all these.

Q. I do not want that. I was just asking for some information so that we could make a comparison between the two. Perhaps I would not be any wiser if I had that information.—A. I will have prepared first the present salaries relating to the figures given here in each case. That can be done, and this document is absolutely complete, covers every category of employee. Although the preparation had begun before this report arrived, I think it is only fair to say the report expedited it.

The next item is: "(4) Greater flexibility in the matter of replacement." The recommendations of the senior official concerned is accepted as far as replacements are concerned. If it is thought that an individual has latent talents which are not being properly used on the job on which he is, an endeavour is made to place the employee in a position where his capabilities can be utilized to the best possible advantage. That was one of the points that was emphasized in connection with this personnel survey conducted by the chief executive assistant. If this does not prove successful or the employee shows that his aptitude is not for this business of radio broadcasting, a replacement is arranged with someone who is qualified to do the job in hand. It has been found necessary in a number of cases to retire employees for one reason or another, but in a great number of cases it has been possible to make adjustments which have proved satisfactory.

There is one point there. The other day I met an expert who had been writing books on organization mechanics, a well-known authority. I do not think he would like his name to be mentioned, but he said to me, in any concern like this there should be an automatic turnover of a certain proportion of the staff. It does not much matter, he said, always be firing a few. I said, "Why?" He said, "It is important because in the final resort it is the experience of the best tradition of efficient business that the element of fear must be kept to the forefront." I said, "Of what?" He said, "Fear of starvation." He said, "It is the greatest impulse for driving." He said, "Never let anybody get you thinking that kindness goes." He said, "Fear is the predominant element in

the handling of men." I said, "If that is efficiency then I must confess that I have no aspirations in that direction at all, because I have taken an entirely opposite line. I believe it is a fundamental constituent of enlightened administration to abolish fear; certainly not to compromise with inefficiency or slackness or disloyalty, but to handle matters in an enlightened and kindly fashion, trying to develop esprit de corps and loyalty. I think both of these things are present in a very high measure throughout this organization.

By Mr. Graydon:

Q. I am amazed to hear anyone take that view that you have expressed, because he belongs to the day before yesterday if not a good deal farther back than that.

Mr. COLDWELL: The century before that?

The WITNESS: Somewhat Egyptian.

Mr. GRAYDON: B.C., anyway.

The WITNESS: The next point raised by Mr. Plaunt was, "It is a bad practice to use producers as administrators." This is the way I should like to deal with that problem. Radio is, of course, a young industry still, and this is especially true in Canada where broadcasting on a national scale has only been in existence for a few years. It stands to reason, therefore, that qualified and efficient executives and administrators are not as prevalent as in other fields. It has been necessary, not only in the C.B.C. but in the industry as a whole, to utilize the services of those intimately acquainted with the technical side of broadcasting in administrative posts. It is recognized that this is not an ideal condition, but as time goes on and as candidates with a bent for administrative procedure are recruited and learn some of the fundamentals of the business, they will replace those with a more artistic temperament whose qualifications can be used better on the purely program creative side. In other words, it is a process—

By Mr. Graydon:

Q. Here you are combining the artist with the business man?—A. That is so; and it is also not easy to introduce your scientific business organizer into an artistic business, therefore there must be some element of compromise.

Q. That is one of the largest problems you are facing in an organization such as this?—A. Yes. For example, one of our leading program officials, Mr. Charles Jennings, director of program planning, has an exceptionally good voice on the air. It is sometimes argued he should not be used at all for any other job than announcing special programs or something like that; but his experience of broadcasting, his judgment, his taste, and so on, are such that we cannot afford to leave him entirely at the microphone end; it is a case of adjustment.

By the Chairman:

Q. That is not the rule; it is possible to have a combination of both?—A. Yes.

Q. Is it not?—A. It is possible to have a combination as long as the human frame can stand the extra work. To a considerably greater degree the specialist, at least in the program headquarters staff, is now becoming urgently necessary. That was a suggestion of Mr. Plaunt.

By Mr. Coldwell:

Q. Is this a new suggestion?—A. No; that is another suggestion that Mr. Plaunt gave. More specialization at the program headquarters office, he suggests, has now become urgently necessary. Now, this is the comment on that.

Q. That is what I meant. Were you starting a new section?—A. Yes. This is the comment:—

At first the function of the program headquarters was actively to design, arrange and produce programs. Through devolution of a greater control in the various regional production centres, the functions of staff at the national program office have been altered to embrace direction, subject and planning, but never to be divorced from good example.

For example, Rupert Lucas, who is in charge of programs, constantly keeps his hand in by actually producing, himself, series of important dramas. Continuing:—

In the program headquarters at the present time are various specialists such as features, actualities, drama, variety, talks, farms and so on.

I feel that this point taken by Mr. Plaunt was a good point and that it has been carried out. I would say that it did not begin at his instance. It was in process of beginning, but it has been assisted by this recommendation.

Q. That is what I was going to ask you about. You are giving your own?—A. Yes.

Q. What you have carried out?—A. Yes.

Q. And not what the board has decided in connection with this?—A. Yes. It is entirely my own.

Q. This report was submitted to the board, though?—A. Yes.

Q. But so far, what you are giving us is what you have tried to do in relation to the report?—A. Yes.

Q. And not what the board has done in relation to the report. That is right?—A. Yes. The board were aware, of course, of what I was doing; and there was no objection to this.

Q. There was no objection to it; but still they did not discuss or authorize this?—A. Not specially.

Q. No.—A. There is no record of it. But I was told to go ahead and use everything that was advantageous in the report.

Mr. COLDWELL: It is one o'clock, Mr. Chairman. We may sometimes ask Major Murray questions of which he is unaware before he comes here. May I say now that I want to ask some questions about the cutting off of people from the air, particularly in relation to Mr. Bradley of Saskatoon. I have a very large number of letters from Saskatchewan, from Alberta and Manitoba, and I want just to get a report on that, if I can, and discuss it with Major Murray before he leaves. I thought I would mention that now.

The WITNESS: The case of Mr. Bradley?

Mr. COLDWELL: That is right.

By the Chairman:

Q. There is just one question I want to ask with reference to the Plaunt report and the production department. He says, "According to reliable sources it has been virtually impossible to dismiss anyone in this department, however incompetent." What is the truth of that statement, as far as you know?—

A. The information on which it is based is without foundation.

Q. And as far as you know, that condition never obtained.—A. No.

Mr. COLDWELL: What page of the report is that?

The CHAIRMAN: Page 6, (b) of 3, the paragraph we were discussing immediately before this—"Restaffing necessary."

Mr. HANSON: When are we going to meet again?

The CHAIRMAN: Is it the wish of the committee to meet tomorrow?

Mr. COLDWELL: Yes.

The CHAIRMAN: All right. We will meet tomorrow at 11 o'clock and we will proceed with this.

The committee adjourned at 1 p.m. to meet again on June 19 at 11 a.m.

APPENDIX A

COST OF GOVERNMENT SPONSORED PROGRAMS BROADCAST AS BOOKED OVER C.B.C. NETWORKS AND STATIONS FROM JANUARY 31, 1941, TO MARCH 31, 1942

Paid by government departments—		
Network stations and lines.....	\$133,938	45
Spots on C.B.C. stations.....	34,484	00
Talent, musical arrangements, travelling and miscellaneous.....	75,465	28
Total cost to government departments.....	\$243,887	73
Commission paid to agencies—		
On network business.....	\$ 19,219	67
For spot business on C.B.C. stations.....	4,609	20
	\$ 23,828	87
Paid to privately-owned stations.....	\$ 49,175	67
Net revenue to C.B.C.—		
Network business.....	\$ 65,545	11
Spot business.....	29,874	80
Total net revenue to C.B.C.....	\$ 95,419	91

SUMMARY

Paid by government.....	\$243,887	73
Received by—		
Private stations.....	49,173	67
Agencies	23,828	87
C.B.C.	95,419	91
Cost of talent, musical arrangements, travelling and miscellaneous	75,465	28
Total	\$243,887	73

STATEMENT BY GOVERNMENT SPONSORED C.B.C. NETWORK BROADCASTS CONTRACTED FROM JANUARY 31, 1941, TO MARCH 31, 1942
STATION TIME AND LINE FACILITIES ONLY

Date of broadcast	Cost to government	Agency	Agency commission
<i>Department of Finance—War Savings—War Loan and Victory Loan Campaigns</i>			
Jan. 31–June 20/41 (Eng.).....	\$ 41,268 31	(MacLaren)	\$ 6,089 78
Oct. 8–Nov. 19/41 (Eng.).....	12,268 54	(Cockfield)	1,787 78
Feb. 3–June 22/41 (Fr.)	20,597 32	(Canadian Adv.).....	3,055 86
Oct. 19–Nov. 16/41 (Fr.)	2,402 50	(Canadian Adv.).....	360 38
Feb. 9–Mar. 6/42 (Eng.).....	21,655 99	(Cockfield)	3,248 39
Feb. 9–Mar. 6/42 (Fr.)	6,636 40	(Canadian Adv.).....	995 46
	\$104,829 06		\$15,537 65
<i>Department of Mines and Natural Resources—</i>			
<i>Forestry Branch—School Children's Contest</i>			
May 23/41.....	\$ 1,185 50	(Cockfield)	\$ 175 87

Date of broadcast	Cost to government	Agency	Agency commission
<i>Unemployment Insurance Commission Talk—</i>			
Ralph White			
Aug. 26/41.....	\$ 327 00	(No agency)	
<i>Department of Labour—Canada's Vital Experiment</i>			
Oct. 29/41.....	\$ 1,390 15	(Walsh)	\$ 208 52
<i>Department of Agriculture—(Prairie)—Talks</i>			
Nov. 7, Nov. 21/41.....	\$901 50	(J. J. Gibbons)	\$135 23
Mar. 27, Apr. 2, Apr. 14/42.....	938 50		139 80
	\$ 1,840 00		\$ 275 03
<i>Department of National War Services—Talk by Steel Controller</i>			
Dec. 18/41.....	\$ 1,218 25	(No agency)	
<i>Wartime Prices and Trade Board Talks—By Donald Gordon and Charlotte Whitton</i>			
Dec. 17 and 18/41.....	\$ 2,997 84	(No agency)	
<i>Department of Munitions and Supply—Voices of Victory</i>			
Mar. 13–June 12/42.....	\$ 20,150 65	(Cockfield)	\$ 3,022 60
Cost to government.....	\$133,938 45		\$19,219 67
Less agency commission.....	19,219 67		
Net amount received by C.B.C.....	\$114,718 78		
<i>Summary of Commissions—Network</i>			
Cockfield, Brown Co.....	\$ 8,234 64		
MacLaren Advertising.....	6,089 78		
Canadian Adv. Agency.....	4,411 70		
Walsh Advertising Agency.....	208 52		
J. J. Gibbons.....	275 03		
	\$ 19,219 67		
Payment to private stations.....	49,173 67		
C.B.C. total network revenue.....	65,545 11		
	\$133,938 45		

STATEMENT OF GOVERNMENT SPONSORED C.B.C. SPOT BUSINESS
Contracted for prior to March 31, 1942

Date of broadcast	Cost to government	Agency	Agency commission
<i>Department of Finance—War Savings—War Loan and Victory Campaigns</i>			
Feb. 3–Feb. 28/41 (20 occ.)			
Apr. 31–June 20/41 (45 occ.) (Eng.)	\$ 5,980 00	(A. McKim Ltd.)....	\$ 897 00
Sept. 29–Nov. 27/41 (60 occ.) (Eng.)	3,600 00	(E. W. Reynolds)....	540 00
Oct. 10–Nov. 27/41 (60 occ.) (Fr.)	1,800 00	(Canadian Adv.)....	270 00
Dec. 8–Dec. 23/41 (14 occ.) (Eng.)	840 00	(E. W. Reynolds)....	126 00
Dec. 13–Dec. 29/41 (14 occ.) (Fr.)	280 00	(Canadian Adv.)....	42 00
Feb. 9–Mar. 7/42 (24 occ.) (Eng.)	1,440 00	(E. W. Reynolds)....	216 00
	\$ 13,940 00		\$ 2,091 00
<i>Department of Mines and Natural Resources—Forestry Branch</i>			
Apr. 17 and May 9/41 (2 occ.) (Eng.)	\$ 526 00	(Cockfield, Brown)...	\$ 78 90
Apr. 17 and May 9/41 (2 occ.) (Fr.)	256 00	(Cockfield, Brown)...	38 40
	\$ 782 00		\$ 117 30

Date of broadcast		Cost to government	Agency	Agency commission
<i>Unemployment Insurance Commission</i>				
July 17/41	(2 occ.) (Eng.)	\$ 136 00	(R. C. Smith)	\$ 20 40
July 17/41	(2 occ.) (Fr.)	50 00	(R. C. Smith)	7 50
July 17-July 30/41	(10 occ.) (Eng.)	500 00	(No agency)	
July 17-July 29/41	(10 occ.) (Fr.)	250 00	(No agency)	
Aug. 13-Aug. 20/41	(4 occ.) (Eng.)	200 00	(No agency)	
Aug. 13-Aug. 20/41	(4 occ.) (Fr.)	100 00	(No agency)	
Mar. 24 and 25/42	(2 occ.) (Eng.)	120 00	(R. T. Kelley)	18 00
Mar. 24 and 25/42	(2 occ.) (Fr.)	60 00	(R. T. Kelley)	9 00
		\$ 1,416 00		\$ 54 90
<i>Department of Labour</i>				
Jan. 13 and Jan. 14/42	(4 occ.) (Eng.)	\$ 240 00	(R. T. Kelley)	\$ 36 00
Jan. 13 and Jan. 14/42	(4 occ.) (Fr.)	60 00	(R. T. Kelley)	9 00
Feb. 19 and Feb. 20/42	(2 occ.) (Eng.)	56 00	(R. T. Kelley)	8 40
		\$ 356 00		\$ 53 40
<i>Department of Agriculture—(Prairie)</i>				
Nov. 10-Nov. 29/41	(18 occ.) (Eng.)	\$ 216 00	(J. J. Gibbons)	\$ 32 40
Jan. 5-Jan. 8/42	(5 occ.) (Eng.)	60 00	(J. J. Gibbons)	9 00
Mar. 27-Apr. 18/42	(21 occ.) (Eng.)	252 00	(J. J. Gibbons)	37 80
		\$ 528 00		\$ 79 20
<i>Department of National War Services—Salvage Campaign</i>				
Nov. 24/41-May 4/42	(72 occ.) (Eng.)	\$ 4,320 00	(R. C. Smith)	\$ 648 00
Nov. 24/41-May 4/42	(72 occ.) (Fr.)	1,080 00	(R. C. Smith)	162 00
		\$ 5,400 00		\$ 810 00
<i>Wartime Prices and Trade Board</i>				
July 28-Sept. 20/41	(96 occ.) (Eng.)	\$ 5,760 00	(E. W. Reynolds)	\$ 864 00
July 28-Sept. 20/41	(96 occ.) (Fr.)	2,880 00	(E. W. Reynolds)	432 00
<i>(Oil Conservation Campaign)</i>				
Nov. 11-Nov. 18/41	(10 occ.) (Eng.)	\$ 420 00	(No agency)	
Nov. 11-Nov. 18/41	(10 occ.) (Fr.)	250 00	(No agency)	
Dec. 1/41	(3 occ.) (Eng.)	368 00	(No agency)	
Dec. 1/41	(3 occ.) (Fr.)	66 00	(No agency)	
Mar. 10, 11, 12/42	(Eng.)	390 00	(No agency)	
Mar. 10, 11, 12/42	(Fr.)	200 00	(No agency)	
Mar. 17, 18, 19/42	(Eng.)	390 00	(No agency)	
Mar. 17, 18, 19/42	(Fr.)	200 00	(No agency)	
		\$ 10,924 00		\$ 1,296 00
<i>Department of Munitions and Supply</i>				
Jan. 1/42	(3 occ.) (Eng.)	\$ 266 00	(Cockfield, Brown)	\$ 39 90
Jan. 1/42	(3 occ.) (Fr.)	90 00	(Cockfield, Brown)	13 50
Jan. 30 & Feb. 6/42	(4 occ.) (Eng.)	202 00	(No agency)	
Jan. 30 & Feb. 6/42	(4 occ.) (Fr.)	100 00	(No agency)	
Mar. 23/42	(2 occ.) (Eng.)	120 00	(No agency)	
		\$ 778 00		\$ 53 40
<i>Department of National Revenue—Income Tax</i>				
Sept. 24-Sept. 27/41	(4 occ.) (Eng.)	\$ 240 00	(R. T. Kelley)	\$ 36 00
Sept. 24-Sept. 27/41	(4 occ.) (Fr.)	120 00	(R. T. Kelley)	18 00
		\$ 360 00		\$ 54 00
		\$ 34,484 00		\$ 4,609 20
Cost to government		\$ 34,484 00		
Less agency commission		4,609 20		
C.B.C. station revenue		\$ 29,874 80		
<i>Summary of Commissions</i>				
E. W. Reynolds & Co. Ltd.		\$ 2,178 00		
A. McKim Ltd.		897 00		
R. C. Smith & Son Ltd.		837 90		
Canadian Adv. Agency		312 00		
Cockfield, Brown & Co. Ltd.		170 70		
Russell T. Kelley Ltd.		134 40		
J. J. Gibbons Ltd.		79 20		
		\$ 4,609 20		

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

Room 429, June 19, 1942.

The Select Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. Mrs. Casselman and gentlemen, we have a quorum and we shall proceed with our meeting, continuing the line which we were on yesterday.

Mr. TRIPP: Mr. Chairman, before the order of the day is taken up, I should like to bring up a matter which is really of no importance to myself. The other day I made a statement in the committee and I was reported in the press as having been angry. I do not think I was angry; I do not think the committee thought I was angry.

The CHAIRMAN: There is no evidence of it.

Mr. TRIPP: It just proves the contention I was trying to make at that time, which was that by little twists the reporter can change the slant of a statement made. Now, I am not complaining about the statement made; in fact I think I should thank the reporter for having reported me at all.

I am really of no importance in the political world. Really the C.B.C. would not use statements made by me over their broadcasting system. Mr. Coldwell here is a man of importance in the political world, and he made a speech last week—

Mr. Ross: I do not agree with you when you say you are of no importance in the political world.

Mr. TRIPP: All right.

Mr. COLDWELL: I was going to reserve my comment to see what he was going to say next.

Mr. Ross: I think there is too much inferiority complex on the part of members in this committee.

The CHAIRMAN: Order, please, Mr. Tripp is speaking.

Mr. TRIPP: Last week Mr. Coldwell made a speech in the house and he was reported there as M. J. Coldwell, leader of the C.C.F. party. He got headlines as favouring a total war effort. Well, another reporter for some other paper might have said Mr. Coldwell demands state socialism.

Mr. COLDWELL: But he did not.

Mr. TRIPP: Probably he did not. If such statement had gone over the radio, as I presume his statement would go out over the radio, I think Mr. Coldwell would have been cross. My contention has been that the C.B.C. get their reports from the reporter and that they may be just tinged a little bit with the political complexion of the paper which they represent. My contention was they should have a reporter in the house themselves, who would be absolutely free from any bias or taint. The report in the press which was made by the reporter who was present at this meeting just proves my contention, that is all.

The CHAIRMAN: It would be a big job if they had to have a reporter in every committee.

Mr. TRIPP: I know; I mean the house.

The CHAIRMAN: That statement came from the committee. The reporter just made a little error, that is all.

Mr. TRIPP: I do not think he meant anything at all, he was just ribbing me, that is all.

Mr. ROSS: I think the report that the honourable gentleman was angry, as a matter of fact, is a great compliment to him. As a matter of fact there is no reason in the world why we should not get angry here occasionally. It shows we are on the job, that is all.

The CHAIRMAN: Use your own judgment. Let us proceed with the business.

Major W. E. GLADSTONE MURRAY, recalled.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, with the consent of the committee I should like to make the following correction in the evidence as reported on page 414. On that page appears a quotation of all proceedings in connection with shortwave, and in the middle of the page there is a question asked by Dr. Herbert Bruce, and it is marked Monday, February 7, 1941. That should be Friday, March 21, 1941. That is a correction of fact.

I was asked to provide copies of Mr. J. B. Priestley's pamphlet published by the B.B.C. entitled "If I ran the B.B.C.", which was published by the National Association of Broadcasters in the United States. I have asked by telegram for 35 copies which have not yet arrived. I merely wanted to inform the committee that the matter was in hand.

Mr. Claxton asked for a return of the relevant board minutes affecting my remuneration, and I now quote from the 7th meeting of the Board of Governors, 22nd March, 1938:—

The Chairman then outlined the position as he saw it with respect to the salary and expense allowance of the General Manager. In view of the increasingly onerous responsibilities imposed upon the General Manager and the understanding at the time of his appointment, an upward revision should, he felt, be considered by the Board. It was suggested that an increase in Mr. Murray's expense allowance from fifteen hundred dollars to five thousand dollars might be the best way of meeting the situation, especially since the increase would largely be for the purpose of meeting expenses necessarily incurred in the discharge of his duties. It was stated that it was understood that Mr. Howe would have no objection to a payment of this nature and amount. After some discussion, it was unanimously agreed that in view of Mr. Murray's distinguished services and increasing responsibilities, the satisfactory financial situation of the Corporation, the promised consideration of subsequent pecuniary improvement recorded in the minutes of the first meeting and the reported attitude of the Minister, an expense allowance of not exceeding four hundred dollars per month should be placed at the General Manager's disposal commencing April 1, 1938.

It was resolved:—That the expense allowance of the General Manager be increased to a sum not exceeding four hundred dollars per month, commencing April 1, 1938, and that the Board's decision be communicated to the Minister of Transport by the Chairman for his information.

Eighth Meeting of the Board of Governors—3rd October, 1938

The Chairman read to the Board correspondence between himself and the Minister of Transport relating to the salary of the General Manager and to the augmented allowance of four hundred dollars per month agreed at the last meeting of the Board. The Chairman also read a memorandum dated October 3rd which summarized a discussion on the matter

of the expense allowance between the General Manager and the Minister of Transport on June 6. After careful consideration, it was agreed that in view of the position taken by the Minister and the distinguished services and increasing responsibilities of the General Manager, a salary increase to fifteen thousand dollars per annum plus an allowance of two hundred dollars a month for expenses here, might comprise a satisfactory solution in lieu of the allowance of four hundred dollars per month. It was also agreed that an increase in salary of the Assistant General Manager should be recommended.

It was resolved:—That in view of the considerations set forth in the correspondence between the Chairman and the Minister of Transport,, the Board of Governors of the Canadian Broadcasting Corporation unanimously recommend to the Minister of Transport for approval by the Governor in Council an increase in the salary of the General Manager from thirteen thousand dollars to fifteen thousand dollars per annum, and an increase in the salary of the Assistant General Manager from twelve thousand dollars to thirteen thousand dollars per annum, such increases to be effective as of April 1st, 1938.

It was resolved:—That an expense allowance of two hundred dollars per month be granted to the General Manager if and when provision has been made by the Governor in Council for a salary increase to fifteen thousand dollars.

Ninth Meeting of the Board of Governors—19th December, 1938

The Board accepted the recommendations of the Finance Committee with regard to the salaries of the General Manager and the Assistant General Manager, and an allowance for the General Manager in the following terms:—

It was resolved:—That after careful consideration, and in view of the distinguished services and increasing responsibilities of the General Manager, the Board of Governors of the Canadian Broadcasting Corporation unanimously recommend to the Governor in Council that the salary of the General Manager be increased from thirteen thousand dollars to fifteen thousand dollars per annum, such increase to be effective from April 1, 1939.

It was resolved:—That after careful consideration, and in view of the distinguished services and increasing responsibilities of the Assistant General Manager, the Board of Governors of the Canadian Broadcasting Corporation unanimously recommend to the Governor in Council that the salary of the Assistant General Manager be increased from twelve thousand dollars to thirteen thousand dollars per annum, such increase to be effective from April 1, 1939.

It was resolved: That on and after April 1, 1939, the allowance of the General Manager shall be two thousand dollars per annum for duty entertainment at base of operation.

Eleventh Meeting of the Board of Governors, 6th July, 1939.

The Chairman drew attention to the fact that certain recommendations for raising the salary of the General Manager had not yet materialized and as a result his emoluments since the 1st of April, the date on which they were to become effective, actually had been reduced. The Board agreed that this method should be rectified.

(*The recommendations of the Finance Committee were the same verbatim as they appear in the minutes of the Board of Governors.)

It was resolved: That pending an adjustment in the General Manager's salary as requested by the Board, the General Manager's allowance be restored to the amount of forty-eight hundred dollars a year at base of operation as from April 1, 1939, payable monthly after April 1, 1940.

That concludes the reading of the extracts from the minutes on that point.

Now Mr. Coldwell asked for a statement for the year ending—

By Mr. Coldwell:

Q. May I just follow that up? That is the situation as it rests now?—

A. Except for what I added yesterday, at my own request my allowance at base was reduced.

Q. On what date was it reduced?—A. The 1st of April, '41.

Q. I cannot understand that because I have a return here which I asked for in the House of Commons, Sessional Paper 84-C. I am not going to read all the questions because they do not relate to this particular matter, but question 8 is this: "What was the salary paid to, (a) the general manager, (b) the assistant general manager, of the C.B.C. last year?" And the answer is "(a) \$13,000, (b) \$12,000." Question 9: "Has any change in their salaries been made recently, or is one contemplated? If so, what is the nature of such change?" And the answer is, "None". Question 10: "Were either or both of these officials entitled to a stipulated expense allowance last year, in addition to salary? If so, how much for each allowance?" You say last year the change was made after that or— A. April 1, 1941.

Q. The answer in the return is "Allowance of \$4,800 to the general manager; \$2,000 to the assistant general manager; allowances to cover expenses at base of operation".

Mr. ISNOR: That was for the year 1941.

Mr. COLDWELL: That is right.

I may as well read the remainder of the questions and answers:—

11. To what extent were these expense allowances used? The answer was, "fully".

12. Were both or either exceeded? If so, by how much? The answer was, "Yes".

13. Was the attention of the Minister of Munitions and Supply or the Deputy Minister of Transport, or any other officials of either department drawn by the Auditor General, or any other officer of his department or by any officer of the C.B.C. to any expense accounts having been over-drawn? The answer was, "Yes".

14. If so, what action was taken or is to be taken in this regard? The answer is, "Matters referred to in the letter from the Auditor General have been adjusted to the satisfaction of all concerned".

I am puzzled, following the evidence that was given yesterday, as to just what this return actually means. The only reference in the Auditor General's letter was to the expenses of the general manager. Yet Mr. Murray had not any clear recollection of this having been taken up, and Mr. Morin had no recollection of it at all. I cannot understand this return in the light of the evidence that has been given here.

Mr. Ross: Mr. Chairman, I do not think it is quite fair to question the general manager in this matter at all. As a matter of fact, you have a finance committee of the broadcasting corporation. I think the man that ought to be here to be questioned on that matter is the man who is responsible for the finances of the corporation, and that is the vice-chairman of the board. He ought to be here now. That is my feeling in the matter.

Mr. COLDWELL: In reply to that, may I say that I prefer to take the matter up with some one who is directly concerned rather than going to a third party for the information. I much prefer to do that. That is why I am taking it up with the general manager, because no one would know better than the general manager as to what this does refer; and I think it is only fair to take it up with him. I would not care to take it up with a third party without first of all having had the opportunity of taking it up with the general manager himself.

Mr. Ross: I think the general manager, as a matter of fact, is quite capable of answering for himself. I do not think there is anything to hide.

Mr. COLDWELL: I am not suggesting that there is anything to hide. If he is quite capable of taking it up himself, then I am quite entitled to ask the question.

Mr. Ross: I think you are right on that; but I think we ought to have Mr. Nathanson here to answer that question.

The CHAIRMAN: Mr. Nathanson is unable to be here, through illness.

Mr. Ross: I beg your pardon, Mr. Chairman?

The CHAIRMAN: I had a letter from Mr. Nathanson this morning. He is unable to be here on account of ill health, but will appear before the committee at a future date, if it is the wish of the committee, and we are able to give him a few days' notification.

Mr. Ross: My feeling in the matter is this. We have a man who is in a very very responsible position as far as the broadcasting corporation is concerned. As a matter of fact, he is almost in the position, by virtue of the by-law, of being manager of the corporation at the present time. Yet he is not here.

The CHAIRMAN: Did you hear what I said, that he was ill? I had a letter from him this morning and he says he is ill. We could not expect him to be here under those circumstances. He is ill and has been ill, but he will try to be here at a date fixed by the committee at some future time, provided we can give him a few days' notice. That is fair enough.

Mr. Ross: Well, we have a very peculiar situation in the broadcasting corporation in this country to-day. Major Murray is quite capable, as far as that is concerned, of answering all these questions. But I do not like personalities being brought up, and all that. The other point is that there is a proper source from which to get the information. There have been certain innuendos in connection with both the manager and the assistant general manager. After all, the finances of the corporation are, as a matter of fact, in the hands of the finance committee. If Mr. Nathanson cannot be here as vice-president of the board, surely there is somebody else who can come here for him.

Mr. COLDWELL: I wonder if Major Murray is ready to answer the question.

The WITNESS: As I tried to explain in earlier evidence, and as was quoted in the evidence of the chairman of the Board of Governors at page 74, there was the legal question involved in the auditor general's letter to the Minister of Transport:—

- (a) If you are satisfied that the corporation acted within its powers in granting the \$4,800 annual allowance to the general manager? and
- (b) If the establishing of a per diem travel allowance to the general manager is a subject of concern to the Governor in Council.

As I said yesterday and also in my first evidence, I naturally took steps at once to see that the legal position was all right, and was assured by the Department of Justice that under the constitution the legal position was in order; so that disposes of that point. There is no question of there being at

any time any overdrawn. Extra expenses were subject to daily review and examination under the three headings I mentioned yesterday; that is, the treasurer of the corporation, the member of the staff of the auditor general who is in constant attendance, and the finance committee of the board. But I thought that perhaps this would help. You would like the figures, I take it, on this point. It seems to me that there has been some confusion in assembling the information, and it has given the impression that in the year in question—that year that is referred to there—there was an exceptional expenditure. The total for that year—that is, the year 1939-40—is \$5,692.56, of which \$2,219.17 was required for my three months' visit in England. The total for the year 1940-41 was \$3,990.80; and the total for the year 1938-39—and in that again I should like to correct the figure I gave yesterday, because I was taking the figure at the top of the page on that, and it was not complete—is \$2,956.87 instead of \$1,342.89. The total for the year 1937-38 was \$1,600. I have not the figure with me for 1941-42. But as given in the evidence before, up until December 31st of last year, except for the English trip, the average was \$205 a month across the whole period. What I want to emphasize now is that at no time was there any overdrawn or going beyond the authority. There was complete, precise and continuous examination of these accounts. Another point which occurred, and to which I should like to call attention, is this. It was suggested that other payments were made to me.

By Mr. Coldwell:

Q. Yes?—A. Well, there is nothing in that. I have a statement I am going to bring to your attention now for the years about which I was asked, showing exactly the disposition of money on these subjects—coverage reports, statistical reports and listeners' surveys and so on. I am in a position to provide the detailed figures on this, the people to whom they were paid and the object account to which they were charged, but I am not in a position today to give a complete elaboration or show all the results of each and produce the documents and so on. That will be a case of some further examination because it covers things that happened two years ago. Is it now right to bring this forward?

Q. Yes, you may go ahead.—A. This is coverage reports, statistical reports and listeners' surveys charged to Object 50, listeners' surveys and public relations, year ended 31st March, 1939:

E. A. Pickering	\$1,850.00
E. A. Corbett	1,000.00
Canadian Facts	280.00
W. E. Ward	227.33
H. M. Sinclair	75.00
Elizabeth Long	65.00
S. Cartwright	50.00
	<hr/>
	\$3,547.33
	<hr/>

The reference there to Mr. Pickering will be covered when I come to his case. That was partly a question of accountancy and partly a question of definition of special function he was doing in the preliminary stage of his association with the C.B.C.

For the year ended 31st March, 1940:

Canadian Adult Education	\$ 716.13
Canadian Facts	261.48
S. Eckersley	201.71
M. Grange	200.00
Radio Surveyors	151.00
M. Chambers	150.00
K. M. Rounce	89.68
R. S. Lambert	50.00
H. M. Sinclair	50.00
McGill University	38.00
S. Court	25.00
	<hr/>
	\$1,943.00
	<hr/>

These statements are certified by the treasurer of the corporation. But I would plead the indulgence of the committee not to examine me on each case and ask me to tell you all about them; because with the multiplicity of problems that have had to be handled since these things, I am not now in a position to tell you exactly what happened except to show that they came under that main heading and they were charged to the object of that account.

Q. Have any surveys been made recently?—A. Yes. Would you like those figures brought up to date?

Q. I was going to ask by whom have surveys been made lately?—A. By Elliott Haynes, Opinion Surveys. There may be others.

Q. Did Mr. Charles Siepmann make a report?—A. He made a report, but it was a general report. It is the same sort of general report that Dr. Estorick is now making.

Q. He is making one now?—A. Yes.

Q. Would those reports be available to the committee?—A. I think I have Siepmann's report.

Q. I think they would be interesting to us because they are very recent.—

A. Of course, Estorick's report would be still more recent. He is working on it now.

Q. Who is Mr. Siepmann? Is he in Washington?—A. He is in the Office of Facts and Figures now. He was formerly a colleague of mine on the B.B.C., director of talks. Then he went to Harvard university in charge of their radio department.

Q. I believe he has a first-class reputation?—A. He is a man with a very distinguished record, with a first-class mind, analytically. His wife, incidentally, is secretary of the world organization for basic English and basic French.

Q. And what about Dr. Estorick?—A. Dr. Estorick has a long title. I gave it the other day. He is head of the British Empire Section, Foreign Broadcast Monitoring Service, Federal Communications Commission, in Washington, and the official biographer of Sir Stafford Cripps.

Q. He is an American, isn't he?—A. Yes. When I was last in Washington I discovered (this arose out of conversation) that they were woefully ignorant of what we were doing in Canada; and they gave me an outline of their monitoring arrangements and series of studies. I said, where is your British Empire; it covered practically the whole of the British Empire and the world, but ignored Canada. We have been able to repair that since; and, incidentally, to take advantage of the presence in Canada at all events of a first-class mind to get some independent observations of our operations.

Mr. COLDWELL: I think that is a report that will be very interesting.

The WITNESS: Well, I will certainly bring that forward. If I cannot produce the original of Mr. Sopmann's report I will undertake to get a copy of it for you.

Mr. Isnor asked for a comparison of classifications and salary ranges. That was specifically mentioned in the Plaunt report. I have that memorandum here and it reveals some interesting facts:—

COMPARISON OF CLASSIFICATION AND SALARY RANGES

PRODUCERS

(a) *At time of Plaunt report—*

Junior Producer.....	\$1,700—\$2,340
Producers	2,400— 2,880
Senior Producer.....	3,000— 3,600

(b) *Mr. Plaunt's Classification*

Junior or apprentice Producers.....	\$1,500—\$1,800
Producers	2,500—No top.

(c) *Present Classification—*

Producer Gr. 1.....	\$1,800—\$2,400	(Annual increase \$120)
" Gr. 2.....	2,400— 3,000	" " 120
" Gr. 3.....	3,000— 4,000	" " 180
" Gr. 4.....	4,000—No top limit.	(No established annual increase.)

ANNOUNCERS

(a) *At time of Plaunt report—*

Junior announcers.....	\$1,200—\$1,440
Announcers	1,500— 1,800
Senior announcer.....	1,920— 2,400
Chief announcer.....	2,520— 3,000

(b) *Plaunt Recommendations—*

Apprentices—On three months' trial.....	\$1,200—\$1,500
Announcers	2,100— 4,000

(c) *Present Classification—*

Announcer Gr. 1.....	\$1,800—\$2,400	(\$120 annual increase)
" Gr. 2.....	2,400— 3,500	" " "
" Gr. 2A.....	2,600— 3,800	" " "
(bilingual)		

So, to the extent that the ranges have been substantially improved, and at the time are limited only by considerations of revenue and assessment of ability, the spirit of that recommendation has been adopted; and the same applies in the case of the announcers.

Now, Mr. Coldwell wanted to know the circumstances about Mr. Bradley; and with your permission, I would like to deal with that now: The Reverend C. P. Bradley, Saskatoon, Saskatchewan—there is a general authority vested in the C.B.C. by the Broadcasting Act and it reads as follows:—

The Corporation may make regulations to control the character of any and all programs broadcast by Corporation or private stations.

And there is a specific regulation, No. 7 (c) which reads:—

No one shall broadcast abusive comment on any race, religion or creed.

This case arises in Saskatoon, radio station CFQC.

It is, of course, the responsibility of the individual privately owned station to see that the regulations are observed. The C.B.C. has direct responsibility for all programs over its networks and stations.

It is the practice of private stations, when in doubt, to seek the advice of the stations relations division of the C.B.C., it being part of the duty of this division to apply and interpret the regulations.

Station CFQC, Saskatoon, after rejecting Mr. Bradley's script for Sunday, January 11th, sent a copy to station relations division of the C.B.C. inviting an opinion. There was included a copy of the proposed script for Sunday,

January 18th. The opinion of the station relations division was that the material submitted was unsuitable for broadcasting.

On March 30th, station CFQC submitted the script of another talk by Mr. Bradley, which he wished to broadcast on Sunday, April 5th. In order to give full opportunity for revision, the following telegram was sent to the station, and the script was returned:—

Reference Bradley script. There are definite contraventions of Regulation 7 (c) in this script. Broadcasting of this type of material should not be permitted by your station.

It is understood that the station declined to permit the broadcast proposed on April 5th.

On May 5th, after an enquiry by Mr. Coldwell, the following exchange of telegrams took place with the manager of radio station CFQC:—

Manager, Radio Station CFQC, Saskatoon.

Please advise return wire whether you are denying C. P. Bradley facilities of your station and if so date of his last broadcast. Any pertinent information you wish to include would be appreciated.

Reply:—

Retel last Bradley broadcast March twenty-ninth scripts submitted for April fifth twelfth nineteenth not suitable for broadcasting therefore Bradley informed on April eighteenth we could no longer permit him to use this station. Letter following.

There has been a good deal of correspondence. An important document in connection with this incident is a letter from Mr. A. A. Murphy, managing director of radio station CFQC, to Mr. J. R. Radford, Supervisor of Station Relations Division of the C.B.C. This letter is dated May 30th and reads as follows:—

Radio Station CFQC
Owned and Operated
by
A. A. Murphy & Sons, Limited,
Saskatoon, Sask.,
Canada.

May 30th, 1942.

Air Mail.
Mr. J. R. Radford,
Canadian Broadcasting Corporation,
55 York Street,
Toronto, Ontario.
Dear Mr. Radford:

Some few days ago I had a meeting with a committee of Mr. Bradley's followers as they insisted on seeing me due to the fact that they claimed some of the information which we had given them, and information which they had received presumably from you did not coincide. They first confronted me with the fact that the C.B.C. were responsible for Mr. Bradley being taken off the air in Saskatoon. I told them I did not know where they got this information or how they arrived at it, but I wished to clear the matter up and that there was no one responsible for Mr. Bradley being taken off the air other than myself.

I informed them, however, that I had received a communication from you to the effect that if I broadcast a particular script of his that

I would be violating regulation 7 (c), but I wanted to make it clear to them that I still had within my jurisdiction the right to broadcast Mr. Bradley if I so desired, but unfortunately it was not my desire to carry on with him, due to the fact that I considered my franchise worth considerably more than the remuneration received from Mr. Bradley's speeches, and that there was no one responsible for Mr. Bradley being off the air other than himself. He had been continually warned of the type of material which he was attempting to put over the air, and several of his talks had been cancelled entirely, and yet he persisted in submitting that type of talk.

They also raised the question regarding submitting his talks to the C.B.C. and stated that they had received information to the effect that the C.B.C. had not received his talks and I naturally assumed that it was yourself that they were referring to. I told them that if they had received information of this kind that it was a falsehood and Mr. Bradley's talks had been submitted to your office on many occasions. I did not however want them to consider that every talk Mr. Bradley had submitted had gone down there but sufficient of them had been received to regard this subject as having been submitted to the C.B.C. I am rather at a loss to know as to whether any statement of this kind had been received by them or whether they were just working on me, however, I felt I should convey this information to you so that you will have my views in connection with the conversation that took place between us. Undoubtedly they will be communicating with you again and possibly endeavouring to place me in a bad light before you. I am quite willing to assume any responsibility which is mine in connection with this matter, and I definitely pointed out that to them, but I was very much disturbed at the inference which they made relative to our not submitting these talks to your office.

When they found out that they were not getting far with this matter they definitely confronted me with the question—"Would I put Mr. Bradley back on the air, and if I did they would see to it that his talks conformed to the regulations." Earlier in the conversation they made the statement that there was nothing objectionable in his talks for broadcasting, and at that time I asked them, how they could act as a board to pass on Mr. Bradley's talks in future when they could see no objections to the ones that had already been submitted and turned down.

They confronted me with the fact that if they got sanction from the C.B.C. of these talks would I permit them to go on the air, I said, "Yes, I would", if they could get permission to free me from any obligation relative to violating regulations in submitting Mr. Bradley's talks. I knew quite well myself that this concession could not be granted by the C.B.C. and in making this statement I was taking no chances.

Possibly before this time they have again communicated with you as I have delayed somewhat in writing you on this subject.

I definitely told them that I would not permit Mr. Bradley back on the air any more, and on my refusal to broadcast Mr. Bradley any more in the future, they made the assertion that if in that event the fight was on, and that they had other information which they had not yet divulged. On their making this statement I told them that I was sorry but if they wished to take this attitude I had no alternative other than to let them proceed.

They also confronted me with the statement that political pressure had been brought to bear in connection with getting Mr. Bradley off the air. I definitely informed them that so far as this station is concerned no political pressure of any kind anywhere had been brought to bear

relative to Mr. Bradley's talks, and that the action taken was entirely my own and I assumed all the responsibility for it.

I think this pretty well covers the major points of the conversation. Thanking you and awaiting your reply, I remain,

Yours very truly,

Radio Station CFQC,

(Sgd.) A. A. Murphy,
Managing Director.

In accordance with the usual procedure, plans had been made for Mr. Radford to visit Saskatoon and go into the matter on the spot. All concerned were informed. If it had not been for the necessity of Mr. Radford's attendance during the proceedings of this parliamentary committee (he is indispensable during these proceedings), he would have been in Saskatoon about a month ago. As in other cases, the procedure of personal investigation on the spot includes consultation with all concerned in the hope of discovering a formula that might permit the resumption of the broadcasting within both the letter and the spirit of the regulations.

Now, I have here certain excerpts from scripts submitted and a description of others. I am in the embarrassing position of being reluctant to read all these extracts in the presence of Mrs. Casselman. They are, however, available for the individual examination of members of the committee.

By Mr. Isnor:

Q. Who are the people who are taking this matter up with Mr. Murphy?—

A. Representatives of Mr. Bradley.

Q. They haven't given their names?

Mr. COLDWELL: Of course, it would be Mr. Churchill. I may say, just so that there will be no misunderstanding, that I have had a large number of letters from listeners all over the west, and I have replied to them very briefly saying that when the opportunity arose I would take it up in the committee; which I have done this morning; and I think I sent copies of the replies I had given to Mr. Murray in order that he might know exactly what I was advising them. There are a large number of people who are writing regarding this, and I think I have read the scripts (some of the scripts, not all) which Mr. Bradley used. There is only one in which I think there is anything which transgressed the regulations to any degree. I thought possibly that could have been met had it been taken up as now proposed and that pointed out. As far as I recollect now, I think there was only one reference I saw that was perhaps somewhat unkind to his brother ministers. That is the one I spoke about yesterday. Is that the one you haven't the face to read, Major Murray.

The WITNESS: No, it is not.

Mr. COLDWELL: It is not; that is the only one that I know of.

The WITNESS: No, it is not. I should not mind that.

Mr. COLDWELL: Well, I think that if the matter is taken up as suggested by the general manager through Mr. Radford with the chairman of the committee and with all concerned that is a disposition that ought to be satisfactory and some conclusion should be arrived at. I think that would satisfy the people who have been writing protesting against the debarring of Mr. Bradley from the air.

A. Mr. Chairman, I am glad that your suggestion seems agreeable to Mr. Coldwell. We find that it is better not to leave the matter entirely to a local solution; sometimes one with wider experience of the issues involved and, perhaps, a more detached angle is more likely to steer a way through the troubled waters.

Q. There is one point arising out of this that I want to draw to your attention. Apparently, care is exercised in the kind of thing that is said referring to religious broadcasts, but I have here a script that was given over the C.B.C. to which I wish to direct your attention and make some protest. It was a broadcast from Carry on Canada of December 28, 1942, and I want just briefly to read some of the dialogue. The date is December 28, 1942.—A. 1941?

Q. 1941. I am sorry, there must be a mistake. The script, I think, came from the C.B.C. and it says 1942 here on my copy. So, it must be a mistake. I read the date without thinking. This has to do with dialogue which is forbidden in political broadcasts, even when they might be quite innocuous. I should like to read a portion of this dialogue because I wish to make my protest upon it. I am not going to read it all:—

Jean: It was so delightful of you, Mary, to ask me in to tea with you this afternoon. It's so nice, after the talk we've been hearing about national unity—did you hear it on the radio the other night?

Mary: Yes, I did hear something about it. It's very necessary, of course.

Jean: *Of course!* And it is so nice to come to a house where one can really feel properly and completely unified.

Mary: I . . . I don't quite understand.

Jean: No, of course, naturally you wouldn't. But, my dear, I was at the Smiths yesterday . . . and, well really it was most extraordinary.

Mary: Oh, yes. I was invited, too, but I couldn't go. Do tell me about it. What was extraordinary about it?

Jean: My dear, it was such a mix-up. All kinds of people! Foreigners, Jews, some officers from headquarters, and . . . and some communists!

Mary: Communists?

Jean: Well, they were very Red, anyway. They talked socialism. Mr. and Mrs. Taylor . . . you know them?

Mary: Yes, but they're not communists. They're C.C.F.

Jean: I thought they were dangerously progressive.

Mary: Oh?

Jean: And, of course, that Professor Karr was quite in agreement with almost everything they said. He would be. He's an Austrian.

Mary: Yes. He's an Austrian who came here because his country was stolen from him by the nazis.

Jean: But he's a foreigner.

Mary: He's not. He's naturalized. My dear Jean, he's a Canadian now.

Jean: Oh, I could never believe that!

Mary: But it's fact. He came here to fight against the very things this war is all about. He is doing research work now, for war purposes.

Now, I had a number of protests against this reference, and I think the protests were well justified. While the last remark may have to some extent taken the sting out of what was said earlier, this type of broadcast, in my opinion, leads to disunity. I certainly object to the reference to C.C.F. which definitely mixes us up with the communists, and you should read what the communists were saying about us a year ago before Russia entered the war. I do not like the references to the other people here at all. I think it is most ill-advised to put a broadcast over the air of this description and with those references. If we are going to prevent Mr. Bradley from referring to other people in the terms that Major Murray indicates he has, then I think we should see to it that our own department lives up to the regulation regarding people of the sort who are mentioned in this particular script, and I bring that to the attention of Major Murray?—A. Thank you, Mr. Chairman, I shall also bring

the matter to the attention of the director of public information, because he assumes joint responsibility for Carry On Canada.

Q. You do not think that is the proper thing, do you?—A. No, I entirely concur; but I would like to ask this question though: did Mr. Coldwell or anybody else have other complaints about other programs in that series?

Q. No.—A. Well, that program ran for two years and I would suggest that it has a pretty good record if it has only had one slip.

Q. Oh, yes. Of course, I would get the complaint when it deals with something in which I am personally interested.

Mr. TRIPP: Following the evidence of Mr. Coldwell, you cannot blame me for mildly complaining of the treatment on other matters which has been given to the Liberal party.

Mrs. CASSELMAN: It perhaps was a clumsy attempt to distinguish between the two.

Mr. COLDWELL: As a matter of fact, I do not think there was any ill intention.

The WITNESS: I am grateful for having the point raised.

Mr. COLDWELL: It certainly roused the ire of a number of people who heard the broadcast. I did not hear it.

Mr. ROSS: Will Mr. Bradley's script be placed on the record?

The CHAIRMAN: No, it will not be put on record, but you can read it.

Mr. ROSS: I should like to read it myself.

Mr. CLAXTON: Following Mr. Tripp's protest, mild though it was, about the attention given the Liberal party, there is, I think, a feeling that some of the new broadcasts are shaded or open to selective treatment in regard to political news. For example, I have had some complaint about the news broadcast with regard to Mr. Crerar's speech in the house yesterday.

Mr. ROSS: Where were you yesterday?

Mr. CLAXTON: I heard the speech, but I did not hear the broadcast, and I wonder whether you could give us the script of the news broadcast relating to that speech?

The CHAIRMAN: You mean the speech last night?

Mr. CLAXTON: Yes.

The CHAIRMAN: There is nothing objectionable in that—not over the C.B.C.

The WITNESS: Which do you want?

Mr. ROSS: You could get it from the Canadian Press or the B.U.P.

The WITNESS: We will bring you both sources of origin and the finished article if you like of Mr. Crerar's speech as given to us and as broadcast.

Mr. COLDWELL: Mr. Claxton is complaining about the lack of attention and I was complaining about unusual attention.

The WITNESS: Mr. Coldwell asked for a copy of the letter from the Department of Justice approving the amendment to the by-laws dated April 1941. The point was as to whether the board should not have had another resolution.

Mr. COLDWELL: Yes.

The WITNESS: I suggested that the intention of their resolution as submitted was that this thing should be implemented upon receipt of approval. Here is the letter from W. Stuart Edwards, Deputy Minister of Justice, dated Ottawa, April 4, 1941, and addressed to Mr. Morin:—

I have examined the draft amendments to the by-laws of the Canadian Broadcasting Corporation, which you submitted to me, and have to advise you that in my opinion they are satisfactory from a legal viewpoint.

Now, did you wish that I should continue with the Plaunt report at the point where I left off?

By Mr. Coldwell:

Q. Before we leave this matter of religious broadcasting I wonder if it would be possible to cut out the Sunday advertising over the C.B.C.—Sundays and Christmas day?—A. Well, on Christmas day this year we did eliminate it entirely, and we would like to do it every Sunday, but we would be up against a very strong body of opinion in support of Charlie McCarthy and Jack Benny; and, apart from that, the balance of the day's programs would have to be a little wider than could be made up. Recently we had a deputation from the Lord's Day Alliance which came to the board and asked that something more be done. As the result of that visit I wrote a special letter to all privately-owned stations enjoining them to cut down as much as they could advertising on Sunday, and I think some favourable results have been reported.

Q. As a matter of fact, I think the criticism is mainly of the private stations in that regard?—A. Yes.

Q. That is the criticism I am making myself. I was not thinking so much of advertising on the C.B.C.; it is all pronounced and more or less indirect; but you get a lot of direct advertising over the privately-owned stations on Sunday that I think could be discontinued very well?—A. In the replies which I have received from private stations respecting the view that they should be more careful I was gratified with their reception of the suggestion, and I know they are going to try to make a real effort to reform.

By Mr. Isnor:

Q. Dealing with the Sunday programs, it has been suggested from more than one quarter on various occasions to me that there should be more news items on Sunday, as is done on the American stations?—A. It is true that our news service on Sunday is not quite as extensive as it is on week days.

Q. It has been pointed out that there are a great many more who have an opportunity on Sunday to listen to the news items, and it has been suggested that you might carry an extra one or two periods.

Mrs. CASSELMAN: And there are no newspapers on Sunday.

Mr. ISNOR: Yes, that is so.

The WITNESS: Yes, but in connection with the absence of news on Sunday we must remember that we have much more comment on Sunday. For example, we carry our special week-end news comment direct from London; we also have our review of the week by the panel of those who have been spoken of, and we have more interpretation features on Sunday than on week days. This is the present regional arrangement for Sunday news services: 8 o'clock, 5 minutes; newscast at 10 o'clock, another one for 5 minutes. At noon we carry the B.B.C. news everywhere; a short newscast at 2 o'clock, and at 5 o'clock there is another one.

Mr. ISNOR: What period is that?

The WITNESS: From 5 to 5.03—just a summing up. Then there is 7.45 to 7.50, 5 minutes, and then at 10 o'clock again from 10 to 10.15 and then again at midnight. And there is the B.B.C. news from 6.45 to 7.

By Mr. Coldwell:

Q. You carry a number of news commentaries on Sunday?—A. Yes, week-end review, Percy Philip and others. There are also Dr. Thomson and others.

Q. I think people would like to hear more from men like Raymond Gram Swing?—A. We carry him every fortnight on Saturday and he alternates with Mr. Minifie from Washington. We would carry them more frequently if we could get around the difficulty of the sponsorship, because under our regulations we have no sponsorship of news or comment, and the Americans are moving in

the same direction as, perhaps, you will observe from the examination of documents which have been put in. We get Mr. Swing as often as we can manage it on a non-sponsorship basis.

Q. I have heard so many people say they would like to hear him more frequently; it is a first-class commentary, of course?—A. It is, of course.

By Mr. Isnor:

Q. It was suggested some little time ago you might possibly arrange a period either in the middle of the afternoon or middle of the evening. The evening thought, I think, was expressed, because of the lateness of the hour at which we receive the news in the Maritimes. Now it has been very much improved and we appreciate that change. By the way, it has been received with a great deal of favour throughout the Maritimes. People down there, of course, are obliged to go to bed so as to get up early. They are busy times down there. Formerly quite a large number of people felt they wished to hear the news and they would stay up until after midnight. Now, of course, the news comes in at 11 o'clock. I should like to ask you to consider the possibility of arranging an afternoon broadcast on Sunday.—A. Mid-evening. About what period?

Q. Not so much mid-evening at the present time because of your change in your news broadcast at 11 o'clock which has been of great benefit to the Maritimes; but I would suggest perhaps 3.30 or 4 o'clock in the afternoon.—A. Yes; the news flash you get at 4 o'clock your time is inadequate, that is the suggestion?

Q. Yes.—A. We will have that specially considered.

By Mr. Ross:

Q. I should like to comment on the news commentary that Mr. Coldwell has been talking about, particularly this man Raymond Gram Swing. I think we ought to have in Canada, as a matter of fact, men who can do the job just as well as he can.—A. We have.

Q. I think that some of our fellows need a little more punch.

Mr. COLDWELL: I think that fellows like Philip and Watson and Stewart and so on are good.

The WITNESS: Watson Thompson. We have an excellent panel.

Mr. Ross: I think they should have a little more punch.

The WITNESS: A little more aggressiveness?

Mr. Ross: Yes, a little more aggressiveness.

By Mr. Isnor:

Q. Is Dr. Stewart on the C.B.C. at the present time?—A. No; he is on the panel; he comes on periodically in the switching and changing around.

Q. When will he be on again?—A. He is due to come on soon, but I cannot give you the exact date; when he comes on again it will be once a fortnight or once in three weeks. We spread it across the country. At the present time we have Percy Philip, George Ferguson and Watson Thompson. The next time the panel is changed it may include Dr. Stewart with two others.

Q. I hope so. I remember during 1939 and 1940 I was surprised and pleased at the large number in Ottawa who spoke to me about Dr. Stewart of the Maritimes. It was with a great deal of pleasure that I heard the comments on his broadcasting.

Mr. COLDWELL: That applied not only around Ottawa. I may say, speaking for western Canada, Dr. Stewart was very popular in western Canada. I know on one occasion something happened to the line and I had literally scores of letters the following day protesting against Dr. Stewart being cut off. I made some inquiries and found it was some break in the line or something down here west of Montreal.

Mr. ISNOR: I spoke of Ottawa on account of coming in contact with members here and they expressed pleasure with Dr. Stewart.

The WITNESS: We are in the fortunate position in Canada now of having a reservoir of first-class commentators.

By Mr. Isnor:

Q. May I say in that connection, I do not want to be personal, but I have a son in Hollywood, California. He offered criticism to me just recently, constructive criticism. He said he felt after listening to Canadian programs that we should develop our own talent; he also said that what he has heard over the C.B.C. compared favourably with any other station throughout the United States, particularly those in California where he has been resident for something like 18 or 19 years. I think we should bear that in mind and develop our own talent, native talent, as much as possible.

The WITNESS: We had reached the point in the report of Mr. Plaunt under the heading "Special problems of the French network", which is on page 8, and this is the comment. There is obviously a mistake in the statement. I quote "at the present time there is about \$600 per week for artists' fees, some of which goes to the production of bilingual national network shows. With this amount the regional program director has to fill forty per cent of the time of the French network." I say that is obviously a mistake because the only remotely relevant figure that can be discovered for that period is an extra \$600 a week which was allotted in the year 1938-39 for special requirements on the French network over and above the budget. The actual program allowance was then more of the order of \$3,000 a week, and \$600 was extra. But that does not, of course, take away from the argument. The facts are that since the time of the recommendation expenditure on the Quebec network has substantially extended in proportion to the expenditure on general programs and in relation to the admitted special problems of Quebec. If you examine the program statistics you will see an enormous number of programs which have to be built within the province of Quebec, not only for their own use but also for export to the rest of Canada. The program expenditure estimated for this year is of the order of \$5,500 a week in the Quebec region. That, mark you, covers certain contributions particularly in music to the general program structure.

By Mr. Isnor:

Q. What would be the percentage of cost of the programs as it would apply to the province of Quebec as compared with the rest of Canada?—

A. That is a very hard figure to arrive at because there are so many programs that they produce for the whole of Canada and which therefore must be considered a general charge.

Q. When you speak of programs for the whole of Canada, would that be programs in French for the whole of Canada?—A. No, programs of distinguished music, distinguished musical programs perhaps with announcements in French and English of the musical numbers; not a program in French for the whole of Canada, but a program in music which is acceptable to both parts of Canada. Our drama workshop productions in Montreal are used very considerably over the national network. I think perhaps that question of the division had better be left for Mr. Bushnell when he comes on, because he can go into it more in detail.

Q. I do not wish to raise the question from the sectional standpoint—A. I understand that. As a matter of fact the statistics already distributed will answer your question. Therefore it can be said that the special problems of the French network are being dealt with in the sense of that recommendation. "No. 9 (h) Provision for new developments, e.g., educational broadcasting."

That heading appears on page 8 of the Plaunt report. "Provision for new development, educational broadcasting." This recommendation has been acted upon. Many difficulties have been overcome and progress has been reported to the committee; and it should be added that service to the rural population on an organized scale throughout the country has also been undertaken. That deals with the provision of new developments.

Then we go to page 9, "(i) Problems of regional program development." It is true in some centres privately-owned stations on the network have ceased to act as production centres for existing talent; but it is true, however, only in the smaller centres where local artistic resources are necessarily limited by conditions of population, etc. In any centre of reasonable size it is definitely to the station's financial advantage to produce programs in which local talent is featured. The local station increases to a demonstrable extent its local audience by identifying itself with local interests and aspirations. A proven audience is one of the bases upon which the station fixes its rate for advertising time. Naturally, other factors being equal, the station with the largest audience will command the best price for the time on the air which it has to sell. All this is in relation to private stations, of course. In order to stimulate the creative activity of private stations, adequately equipped, and to encourage a healthy spirit of rivalry in artistic achievement, invitations are issued to private stations from time to time to build feature programs for distribution on the regional or national network. I personally have been a little disappointed about the long intervals between those programs and I do everything I can to encourage private stations to take this up because it is not only of value to us in the selfish sense of helping in the recruitment of talent which we can use, but also of great value to the communities concerned in the general artistic life of the communities.

By Mr. Coldwell:

Q. Where does the program from Vancouver originate, is it a C.B.C. program?—A. Yes, C.B.C.

Q. I heard it very very highly spoken of in western Canada. People of the prairies seem to like the Vancouver programs very much. I just wondered—

By the Chairman:

Q. Do you do anything to promote competition in private stations?—A. Well, the competition in this respect is chiefly between communities, for instance, municipal—

Q. As far as the C.B.C. is concerned the private stations are of very little value from the point of view of procuring talent?—A. Well, I would not say "very little value." We get talent from observing their practice, but I would like to see them perhaps get a little more actively into the creative field, not on our behalf but on behalf of their own communities and the general Canadian interest. I hope you will have Mr. Bannerman on the stand before the proceedings are completed. He is the president of the Canadian Association of Broadcasters, and he might be able to spur them forward in that direction. I think they are valuable, but so far as the creative side is concerned they might be a little more encouraged to the general advantage.

By Mr. Claxton:

Q. Of the private stations which one produces the best programs?—A. Well, I would like to bring that back to you in terms of facts. I can give you the names of four or five now, but I would not like to be unfair to the others, so we will bring you the list in order of merit or demerit, whatever the case may be.

Mr. ISNOR: Of course, with regard to a question like that consideration must be given to the number from which they have to draw, also the listening public and also the ability of that section of Canada to pay for the programs they would produce.

By Mr. Coldwell:

Q. Why was the Atlantic Nocturne discontinued?—A. Well, there is no such thing as permanency of any program. The whole doctrine of program development is change and growth. They reach a stage of development of the art where something else has to be put on in its place.

Q. I think perhaps one has to be born by the sea to appreciate them, maybe. I used to enjoy the sound of the sea waves beating on the shore, and the way it was introduced.

Mr. ISNOR: I am glad Mr. Coldwell asked you that question; because it has been asked of me several times quite recently, and in that same connection it was pointed out to me that that period is now being used in times of something like fifteen minutes as compared to an hour.

The WITNESS: What for?

Mr. ISNOR: For that particular station program originating from that section of the country.

The WITNESS: You mean Sydney?

Mr. ISNOR: Particularly Nova Scotia.

Mr. COLDWELL: The Atlantic Nocturne program came from Halifax.

The WITNESS: The Maritime region makes quite a substantial contribution to the national network. I can produce a list of the programs.

Mr. ISNOR: I should like to see that produced.

The WITNESS: A most distinguished program comes weekly from Charlottetown, old time music, which has an enormous following in western Canada, Don Masser's Islanders.

Mr. ISNOR: That is not from Nova Scotia, of course.

Mr. COLDWELL: It is from a suburb of Halifax.

The WITNESS: I am reminded that the information asked for by Mr. Isnor with regard to the statistical report has already been sent around, a memorandum setting out the facts and figures of sustaining programs, apparently all the information of that kind is in hand.

By Mr. Ross:

Q. Major Murray, I find here in the Plaunt report—I do not just know where it is, I cannot put my hand on it now, but I have a note as follows: "The desire of certain private broadcasters, however, is to bring about the establishment of a private network, which would compete directly with the national network and which would, they doubtless hope, ultimately undermine it. Even though such a proposition runs demonstrably counter to national interests, I suggest that the danger from these quarters is still very considerable.

Q. I cannot find that in the report, but I know it is there.—A. Which report?

Q. I beg your pardon?—A. May I ask which report that is?

Q. It is the Plaunt report.—A. Oh, yes.

Q. I am going to ask you a question on that. Of course, a private network would compete with the C.B.C., but it could not undermine it. It would, by providing a competitive standard, compel the C.B.C. to be on its toes, and merely because there was honest competition for advertisers and audiences

the quality of Canadian radio as a whole would be greatly improved. After all, C.B.C. would have the \$2.50 per set licence fee as a backlog, so why should its network fear the competition of a privately operated network which would have nothing but advertising revenue? Does the report suggest that the C.B.C. programs are so bad that they could not stand competition? If they are, then that shows how badly needed competition is.

Mr. COLDWELL: What report is Mr. Ross reading from?

Mr. Ross: I am reading from my own notes, as a matter of fact, on this report. I cannot find it in the Plaunt report at the moment. I do not know just where it is.

Mr. CLAXTON: I do not think it is there.

Mr. Ross: Yes, it is there.

Mr. COLDWELL: It is a very short report. It should be easily found.

Mr. Ross: I know that the establishment of a private network is mentioned some place in Mr. Plaunt's report.

Mr. COLDWELL: I think you had better leave that until Mr. Ross finds it, Mr. Chairman, because I do not know where it is.

Mr. Ross: I know it is there.

The CHAIRMAN: Mr. Ross, if it is in the report, we will come to it in due course.

Mr. Ross: I think it is here in that paragraph.

The CHAIRMAN: We are taking it up paragraph by paragraph or recommendation by recommendation. If it is one of the recommendations, we will come to it in due course and the comments of the witness will probably explain it. You will have an opportunity of asking that question.

Mr. Ross: I think it follows along the lines of what we are talking about, and I would just like to ask that.

The CHAIRMAN: This has to do with the problems of regional program development.

The WITNESS: Yes, that is right. Shall I continue?

Mr. Ross: That is the same thing. It is regional program development, as a matter of fact, and network development. I do not know just where it is. I cannot find it. But what I am getting at is this. I suppose I should not ask the general manager this question. I suppose we are going to have Mr. Bannerman here. I would imagine so, anyway. However, I think I should ask the general manager just the same.

By Mr. Ross:

Q. Would not another network, as a matter of fact, be an advantage to the C.B.C., or would it be a disadvantage?—A. Well, Mr. Chairman, the comment I would make on that is that, so far as the argument for stimulating competition is concerned, we have that in a pretty acute form already across the border. So far as another network is concerned, we believe we have got it now under ideal conditions. The subsidiary national network arranged through our facilities consists of private stations carrying now programs of considerable popularity and value to the Canadian people, the whole plan being not one of competition but one of co-operation.

Q. That is exactly what I wanted to bring out, Major Murray. What I wanted to get on the record was just what you say now.

The CHAIRMAN: All right, proceed.

Mr. Ross: I am sorry if I was out of order.

Mr. CLAXTON: I agree that we should proceed with the report. I think we should adhere to the paragraphs, but I think perhaps we should come back to the question of this network and the relations of private stations at a later date.

The CHAIRMAN: We will.

Mr. CLAXTON: I should like to make some comment on what Mr. Ross has said. I do not want silence now to be taken as acquiescence.

The CHAIRMAN: Oh, no.

Mr. Ross: I think it is a big step.

The CHAIRMAN: Order, please. If you would be good enough to reserve comments for later, we will proceed with this particular paragraph.

Mr. Ross: I think we should have Mr. Bannerman here.

The CHAIRMAN: All right.

Mr. COLDWELL: We are dealing with the publicly owned system rather than private stations.

The CHAIRMAN: Yes.

Mr. COLDWELL: Mr. Bannerman would be a witness on something different.

Mr. Ross: It is the same subject of radio broadcasting.

The CHAIRMAN: Order. We are making no progress at all. Let us stick to the subject under discussion for the time being. By doing that you will find, when you come to read the reports, there will be a little bit of sequence to the matter under discussion, and it will be much easier to study them than it will be to roam all over the lot. Major Murray, will you kindly proceed.

The WITNESS: Then to complete the observations on the problems of regional program development:

"Nevertheless, the main share of the burden of developing talent rests with the C.B.C. Auditions and talent scouting have already been described in evidence. I have already pointed out how keen we are in doing more of this. It is fair to say that this recommendation has been acted upon as funds became available and expanding organization permitted.

Then I come to page 10 of the Plaunt report, (iv) The Need of Re-definition of Functions and Responsibilities: I submit that since that time great care has been taken in re-definition, and classifications have been studied on the basis of practice in the broadcasting business. I think the best way to give you an unbiased opinion about that is to examine the classification lists and gradings and re-gradings that were presented yesterday.

Then (v) Importance of Centralizing Headquarters Department: This has already been dealt with under items 1, 2 and 3 of the Thompson recommendations. To recapitulate: briefly, after land had been obtained in Montreal and Toronto for suitable buildings and the necessary plans drawn up, construction had to be deferred presumably until after the war, on the decision of the government. The C.B.C. still holds title to the land and construction can be started as soon as it is propitious to do so.

By Mr. Coldwell:

Q. You are under no obligation to start within a certain time on that?—

A. No. Continuing:

(vi) Importance of Adequate Executive Assistance: This proposal was very carefully studied in the light of experience, but as has already been indicated, it has not been adopted. It was felt that the secretary's division and the treasurer's division should continue in a strengthened and correlated form. The secretariat, under Colonel R. P. Landry, is responsible not only for personnel and office discipline, but also for the keeping of all files, documents and archives, for the looking after of the legal side and for handling copyright, and for dealing

with the details of the group insurance scheme, and so on. The treasurer's division, under Mr. Harry Baldwin, performs the functions normally associated with a treasurer, including payment of the staff, making the necessary deductions for the group life insurance scheme, attending to the voluminous details of tax deductions, salaries and artists' fees, as well as keeping an eye on the trend of finance in terms of the smooth operation of the budget laid down by the finance committee and approved by the board. This has already been explained in detail. Dr. Frigon will be able to amplify it, if so desired, and also, of course, Mr. Baldwin.

With regard to the "executive secretariat" which occupies a prominent square on Mr. Thompson's chart, it was felt that the cost of the necessarily considerable establishment involved would hardly be justified in terms of the financial position of the corporation, when priority was being given increasingly to the expansion and improvement of the creative side. But this, to my mind, was not the chief objection. I have already referred to the danger of "splendour complex" in bricks and mortar and marble halls. There is also another danger, and one perhaps even more insidious; and that is from the infection of "organizationitis." The symptom of "organizationitis" is superimposed bureaucracy and complication. There is always the danger in work of this kind, predominantly artistic and cultural in output, of the segregation of the top executive hierarchy in a remote and rarified chamber screened by layers of bureaucrats from the actual job of the microphone. It is submitted that, with the secretariat and the treasury organizations properly organized and correlated, what is needed at head office is not an elaborate executive secretariat, but a relatively simple servicing unit, and this is what has been attempted.

By way of illustration, on looking up my notes, I recalled being in attendance, when I was then a member of the control board of the B.B.C. some years ago, when a colleague of mine sitting alongside of me called my attention to the minutes of three previous meetings. He said, "We have sat for nine hours deliberating on broadcasting, and there is only one reference to programs in the whole of these proceedings." It was from him that I got the expression "organizationitis". He said that was what we were suffering from at the time, and I believe he was right. It was, however, corrected later on.

Q. May I ask you this question, Major Murray. Is that true of your own board? Is it not taken up a great deal with matters of stations, networks and so on? Can it devote sufficient time to other matters at the number of meetings it has?—A. Of course, it is not for me to comment. But I should like to say just this. The board has two main sets of functions. One is to see that the national service is properly operated and the other is to supervise the whole of broadcasting in Canada. That is a very wide field to cover. It has to supervise the whole of broadcasting in Canada, taking care of the right use of channels, the protection of the public interest. That obviously comes first in its consideration, the protection of the public interest. I think the Board of Governors, as far as they can—I mean, within the necessary limitations of having to assemble from all parts of the dominion—have covered the whole ground. As far as programs are concerned, it is true there is not much discussion at board meetings of programs. But what I do is to bring to each board meeting a report on programs, in considerable detail, as to what has been done and what is planned. Those reports are taken away, taken home and studied in between board meetings; and points are raised from those reports. It has seemed to me that was perhaps the only way in which intelligent conclusions by the board could be reached.

Q. I was not criticizing the board. I was just raising the point, because I know that there must be a good deal of routine, and matters connected, as you say, with the supervision of radio generally.—A. Yes.

Q. With stations, the allocation of wavelengths and that sort of thing. That must be discussed very carefully. I wondered, with the number of meetings the board had, if sufficient attention could be given to the other problems.—A. Well, whatever shortcomings there may be, I can, I think, say with certainty that they do not suffer from the complaint to which I have referred; that is, “organizationitis.”

By Mr. Ross:

Q. I do not think they could, Major Murray, because they only meet once every four months.—A. By way of illustration of my point, because I think it is important, as distinct from this rather elaborate conception of a special form of bureaucracy set-up at head office,—executive secretariat,—I want to tell you exactly what the head office unit is, in terms of individuals and costs.

First, there is Mr. Donald Manson, who does two jobs; he is secretary of the board, by the board's appointment; he is also Chief Executive Assistant. In the latter capacity he is the channel for information and instructions, with special attention to regulations and international broadcasting arrangements. He is also in fact, if not in name, the welfare officer of the corporation—the human bridge between all grades and the management. There are few others anywhere with Mr. Manson's knowledge of radio. He was on the engineering side as a pioneer with the parent Marconi Company. He was for many years with another pioneer of radio, Commander C. P. Edwards in the radio branch, first of the Department of Marine and then of the Department of Transport, when the functions were transferred. Mr. Manson was secretary of the Royal Commission on Broadcasting of 1929 of which Sir John Aird was chairman and Dr. Frigon and Mr. C. A. Bowman, the other commissioners. First for the government and afterwards for the corporation as right-hand man to Dr. Frigon, Mr. Manson has attended all the chief international radio conferences in the past fifteen years—Washington, London, Madrid, Havana, Santiago de Chile and others. As a sideline he has become an expert on South America—a fact which is of special value to the C.B.C. now. Chronic self-effacement hides both his qualities and achievements from deserved recognition. He takes his dual personality in his stride. The defences of his work for the board of governors are impregnable. He is in my opinion ideally qualified for the multifarious duties with which he is now entrusted.

Mr. Manson has as his assistant, Captain W. O. Findlay, who has a background of varied organization experience in British Columbia. Captain Findlay already has assumed military duties and unfortunately for us, but fortunately for the army, he leaves for a full time army job at the end of this month.

Mr. Peter Aylen, Liaison Officer with the Office of Public Information and all government departments, is a broadcaster of unique practical experience. Among other jobs, he has been manager of the C.B.C. stations at Windsor, Ottawa, Toronto and Vancouver. As has already appeared in evidence, Mr. Aylen's services are as warmly appreciated by the departments as by the C.B.C.

Provision has been made for the appointment of a French-speaking colleague for Mr. Aylen, but no appointment has yet been made partly because of our good fortune in having in the head office unit, Miss Beatrice Belcourt, Public Relations Officer. In addition to the normal duties of the post, Miss Belcourt specializes in maintaining and improving contacts with the numerous women's organizations here and in the United States, supervises the broadcasting in French outside the province of Quebec, acts as special liaison with the Free French, and is available for worthwhile assignments requiring an intimate knowledge of Canada, both English and French speaking. Reference to the Free French reminds me that Mrs. Casselman asked for copies of the booklet “Le Canada parle à la France” which is a reprint by the Free French of the

earlier talks by Canadians arranged by Miss Belcourt over station WRUL in Boston. I believe copies of this booklet have arrived and are available to members of the committee.

The secretarial and stenographic work of the head office unit is provided more than adequately by Mrs. E. Gomm, Miss Cynthia Davies, Miss D. Ackland, Miss M. Charlebois, Miss Rivard, and Miss Désormeaux.

I have gone into detail for a purpose, namely to explain what I mean by a unit competently staffed and simply organized, flexible and keen, related to the work of broadcasting and above all free of the taint of super Olympian bureaucracy. The members of this unit are not superior in devotion and efficiency to the rest of the staff, but they are less likely to be recognized than those nearer the microphone.

This head office unit, comprising a total staff of nine, costs in salaries \$22,881.00 a year. It is hard to estimate the probable cost of the executive secretariat envisaged in the reports under review, but I am sure it would be considerable and probably excessive. There would be advantages of a kind no doubt, not excepting prestige, dignity and window dressing, but would there be corresponding enrichment of the service in the homes of listeners?

By Mr. Coldwell:

Q. I was just going to ask you a question there and I hope it will not be misunderstood. I know that sometimes my questions are likely to be misunderstood; a great many of them are, but they are not intended to convey the innuendos that are sometimes implied, or that some people are apt to read into them. Mr. Manson is the Chief Executive Assistant and also the secretary of the board?—A. Yes.

Q. I wonder if that is a good arrangement. Somehow I feel that the Chief Executive Assistant to the General Manager, and so on, ought to be some person other than the secretary; or, to put it the other way around, the secretary ought to be some other person. I don't suppose as secretary he does a great deal really, he doesn't attend any of the in camera meetings of the board?—A. No. That point was discussed in the beginning and it was a question of how much work would be involved in the secretaryship of the board; and there, again, if the board are not going to meet very often it would be undesirable to have a separate official.

Mr. COLDWELL: Part time.

Mr. ROSS: I think as a matter of fact it is a good idea. Very often you take in connection with the annual meetings of companies you will find that the president presides at the annual meeting, and very often the managing director of the company is the secretary of the meeting; I mean, he is more intimate with working conditions.

Mr. COLDWELL: Oh well, Mr. Morin is here.

The WITNESS: It is a question where you have the advantage of knowledge; but I suppose you could argue though to the contrary that it is right in theory.

Mr. ROSS: In practice I think it works out best.

Mr. ISNOR: I think so, Mr. Chairman; I agree with Mr. Ross.

The WITNESS: As the lawyers say, the argument ad hominem applies in this case; but the exception may prove the rule.

By the Chairman:

Q. Excuse me; is Mr. Manson the officer referred to in section 6 of the Thompson-Plaunt report?—A. Yes.

The CHAIRMAN: That is on page 11, referred to as chief executive assistant.

Mr. COLDWELL: There are some very difficult questions in this and I think it should be dealt with a little more fully.

The WITNESS: I would say this, that in my opinion there is a misapprehension in the statement that he ever has acted virtually as assistant general manager with executive authority; he has never, certainly in my experience. He has acted, I think I describe it accurately, as a channel of information and instructions.

By Mr. Coldwell:

Q. Have the other officials to report through him, or do they report direct? —A. They can always report direct to me, but in practice they limit that voluntarily to the things that are important and they handle the routine through him. There is never any difficulty of access to me.

Q. Any instructions given to chief officials to report to the chief executive assistant instead of the general manager?—A. Not now.

Q. Not now?—A. No.

Q. Was there a time when that was done, when instructions of that sort were given?—A. At one time it was laid down that except on matters of importance there should be clearance through the chief executive assistant; but not in terms of authority, it was merely where there was not an opportunity of my personally handling a problem, that note of it could be taken by the chief executive assistant so I could deal with it afterwards.

Q. That was making the heads of the departments more or less subordinate?—A. No, they are not, they are actually on the same basis. There is no question of subordination in so far as they clear through him, it is a matter of convenience, it is not a matter of seniority.

Q. From what is in here it would read as though there was one.—A. I don't think so. It was the practice in the sense that as the work became very intense, I had to have some opportunity of consideration, and this arrangement was meant to deal with as much stuff as possible either through Dr. Frigon or Mr. Manson.

Q. The phraseology of this is, of course— —A. I think it is due to a misapprehension. If I had had an opportunity, which I very much regret I did not; if I had had an opportunity of seeing this draft and talking to the author about it I could have explained that more clearly.

Normal sources of additional program money: Now, it is believed that the matters suggested in this memorandum have been largely applied. I think that has been carried out.

By Mr. Ross:

Q. Might I ask you this: are those people who are employed in the broadcasting corporation employed through the civil service?—A. No.

Q. They do not come under the civil service?—A. No, there is no connection.

The WITNESS: Normal sources of additional program moneys: As already given in evidence, the rate of increase of money made available for programs is greater than that recommended under this section. Mr. Plaunt suggested (and I quote) "about \$550,000 over and above the present program allocation should be made available by the fiscal year 1944-45". The additional amount being made available in the current year, that is in the budget for 1942-43, is well in excess of \$600,000, and probably will be of the order of \$700,000 before the year comes to an end.

By Mr. Ross:

Q. While you are on that (I don't want to interrupt too much) what would we have in sources of revenue from shortwave stations?—A. I am glad you raised that point because I had long talks with Mr. David Sarnoff, Niles

Trammel, and others of the U.S.A. about that problem. That has been quite a serious problem with American networks. They have not as yet had any return worthy of the name from the advertising they have transmitted by shortwave, and they rather expected to interest American advertisers especially in their South American service; but what they have had to do is to give an experimental free service over a period. The advertiser has said, let us put on the programs for a period and we will see whether the market is at all receptive. Some other advertisers have taken a long view and said we will go ahead and get some good will effect at all events. The advertiser has not yet been convinced of the value of long-distance advertising.

Mr. COLDWELL: And the war situation would have some effect, too.

The WITNESS: So they carry this service on at very considerable cost.

By the Chairman:

Q. Under that section, Mr. Murray, Mr. Plaunt says: "Relevant material has been prepared on every possible source of revenue which is not now included because of changing conditions," etc.; what were those other possible sources of revenue?—A. Taxes on tubes; increased licences for privately owned stations, increase in advertising rates, increased licence fees, more commercial business—I can't think of anything else.

Q. Don't you think that those private stations get their licences very, very cheaply?—A. Well, just last year or the year before they were put up from \$50 to a new basis which has been worked out on a rather elaborate formula.

Mr. COLDWELL: Those private stations are very, very lucrative.

The CHAIRMAN: Yes, I know; some of them make fortunes out of it.

Mr. COLDWELL: Take that place up there at Peterborough, they have a swell studio; they must be making a lot of money the way they are throwing it around there. I think it is about time we stepped into the picture and got some of that revenue.

The CHAIRMAN: Exactly.

Mr. COLDWELL: They are certainly not stinting their studios, I know; they have magnificent studios in all these private stations where we just have a little bit of a cubbyhole.

Mr. Ross: I think they are doing a good service for the country.

Mr. COLDWELL: I think the C.B.C. could do a better service for the country.

By the Chairman:

Q. I do not see why all of these possibilities would be impractical at the present time.—A. To introduce any radical changes would upset the structure. There is this to be said about the structure, whatever its imperfections are the whole of the radio picture in Canada is a unit for the purpose of war at the moment. I am not in a position to say offhand whether the revenue or profits of the private stations are inordinate.

By Mr. Coldwell:

Q. I think investigations should be made into them.—A. I am not in a position to comment on that. I would say this, I should hesitate to support any proposal that would disturb the efficiency of the total effort of radio in the war effort; anything short of that, of course, is perfectly legitimate.

Q. We have to be careful that we do not find the privately-owned stations have supplanted the nationally-owned system. I always remember what Mr. Bennett said about the ownership of the air and the keeping of it for the country.

Mr. Ross: I asked Major Murray a question a few moments ago and objection was taken to my asking it. I thought it was pertinent, but I cannot find my notes now.

By Mr. Tripp:

Q. The rate card of discounts shows quite considerable discounts to certain users of time. The party using the most time has the lowest rate. Does not that have the tendency of throwing the advertising into the hands of the larger companies?—A. Now, that is a problem which I would like Dr. Frigon to handle, as he is really intimate with the details of the rate card and it is his particular problem. Would you like him to deal with it now or later?

Mr. COLDWELL: When he comes again.

The CHAIRMAN: Are there any more questions on that part of the report?

The WITNESS: That finishes the normal sources of additional program moneys. We come now to the report on the corporation personnel on page 14. There has already been given in the evidence an account of the policy and the practice with regard to personnel and changes of personnel. We now refer to "General conclusions: methods of recruitment to date." That is found on page 15 of the Plaunt report. It is contended that there is no substantial ground for the statement that "many appointments made or sanctioned by the chief executive have been based on insufficient or irrelevant considerations." As mentioned in the preamble to this part of my evidence, I was given no opportunity of consulting either Mr. Thompson or Mr. Plaunt, except on the one luncheon occasion, and except on the subjects specified in the record of the discussion. I have no idea of the nature of the verbal illustrations or to whom they refer, nor could I ever understand the atmosphere of secrecy, mystery and reluctance which held back these verbal illustrations from fair and open discussion. There was indeed for a time an unfortunate consequence of this atmosphere of mystery. The inevitable rumours got around. As they spread they became more ominous until not an inconsiderable proportion of the staff went about their work in fear of an impending wholesale purge.

By Mr. Coldwell:

Q. Major Murray, that was quite a statement to make. Did Mr. Plaunt not have some correspondence with you regarding this particular matter?—A. No.

Q. None at all?—A. I have no record of any correspondence. I made a special endeavour to find out about that; I have no idea what these verbal illustrations mean; it was a cause of great distress to me.

Q. My understanding was that out of the, shall I say kindly gentlemanly feeling that Mr. Plaunt had that he did not care to put them—I thought probably there would be some correspondence with you regarding it.—A. I would have been only too anxious to have them. I now go on. "Periodic surveys not undertaken." Page 16 of the Plaunt report.

By Mr. Ross:

Q. Have you a personnel man, an employment and personnel man?—A. Yes, the secretary of the corporation.

Q. Mr.—A. Colonel Landry.

Q. He is the personnel man?—A. Yes. "Periodic surveys not undertaken." There were staff surveys at average intervals of fifteen months. Since April, 1940, surveys are automatic and annual. I gave some account of how that functioned. Mr. Manson, who perhaps may be described as the welfare officer, in the sense that he does individual interviews with staff, does it in the most sympathetic way possible. He is the human aide to the personnel organization.

The secretary of the corporation has to be more than an official; he is in charge of the office discipline. That is one of his duties.

I now go on to 20: "Importance of proper method of recruitment."

By the Chairman:

Q. Just before you leave that, what are your observations on this part. "Worse than this, the spectacle of persons retained who have been guilty of misconduct, insubordination and even irregularity is not calculated to improve the morale of the organization as a whole." Have there been cases of money irregularities and insubordination and misconduct? That quotation is found on page 16.—A. My observation on that is that as in the case of the development of any business of this kind, mistakes are made, procedure sometimes is not followed, overenthusiasm, perhaps cuts have been made in the minimum red tape that is required. There have been faults of that kind, and they have been dealt with, when necessary by disciplinary measures or dismissal if necessary. But certainly I have no knowledge of anything worse. I very strongly deprecate the suggestion there has been anything like this representation, that people have been retained who have been guilty of misconduct, insubordination and irregularities. I am sure that is due to a complete misunderstanding.

In the matter of recruitment, various experiments have been made.

By Mr. Coldwell:

Q. Just before we leave that, may I ask you this: You have no knowledge what this refers to?—A. No, I have none at all.

By the Chairman:

Q. Has anybody been suspended or dismissed from the employ of the C.B.C. for irregularities with reference to revenue or expenditure or padding accounts?—A. I do not remember any, do you Dr. Frigon?—A. No.

By Mr. Coldwell:

Q. Does that have reference to any personal conduct of the officials?—A. Not that I know of.

The CHAIRMAN: Of course we are at a disadvantage in not knowing what Mr. Plaunt had in mind.

Mr. HANSON: The next paragraph says:—

If one looks for the causes of this situation—which I do not wish to exaggerate—one is ultimately obliged to conclude that it lies in the inability of the General Manager to take firm action in this regard.

The WITNESS: Yes. May I deal with the other paragraph first? I have an observation on it. In the matter of recruitment, various experiments have been made. In the filling of vacancies and in appointments to new positions, the following main principles are applied: (a) Promotion from within. That is, present members of the staff, other things being equal, are given the first refusal of vacancies or of new positions for which they are qualified; (b) The consideration is of the job and function rather than of the individual; and that is very important in this business. The first thing is to describe the functions to be performed and then get the person to fit into it, because there is always a temptation, particularly in a creative artistic show business like this, to say. "Here is a fellow who really is a first-class artist, or something else, let us try to make a job for him." It is conceivable in some instances that attitude would be justified, but this business has reached a stage now where we can no longer tolerate that luxury. So we have to give priority first to promotion from within and then consideration of the job and the function, rather than of any specific individual. This is the procedure:

When a vacancy occurs in the ratified establishment—that is all laid down and agreed by the finance committee of the board—the department chief or the head of the unit in which the vacancy occurs makes a case for filling the vacancy to his immediate superior. If the department or unit chief has a nomination or nominations to make for the vacancy, he brings this or these forward at the same time. The immediate superior, usually a division chief, not only considers the matter on paper, but invariably discusses it with the originator of the recommendation. If the division chief concurs, the recommendation is passed to the secretary of the corporation, whose duty it is first of all to confirm that there is a vacancy in the establishment and then, when there are nominations for the vacancy, to compare their qualifications with those on his “live” list of applicants for appointments. If the application is in order, it is then passed either to the general manager or the assistant general manager according to the department concerned, as set out in the chart of divided responsibility. If the vacancy is in the junior or intermediate grades, the decision of appointment may be taken by the general manager or the assistant general manager and reported subsequently to the finance committee. If the vacancy is in the senior or in an intermediate “pivotal” position—and I use that expression advisedly; a position of a little more importance than might be indicated by the classification of the particular job—the recommendation must be submitted to the finance committee of the board before the appointment is effective. Likewise, if the recommendation involves the creation of a new position of any grade or of any importance, the submission must be to the finance committee in advance of the appointment.

That completes my preliminary observations on the Plaunt report.

By the Chairman:

Q. In these various positions, do you make it a point to use, or attempt to use the merit system and have promotion from within your ranks, and let somebody else start in anew to learn the business?—A. Yes. That was the first principle laid down, promote from within, and recruit from without, for replacement if possible.

Q. With regard to new employees for any special job, is that open to any type of competitive examination?—A. We have no set examination system.

Mr. COLDWELL: Mr. Chairman, I think probably the reports which have been discussed by the general manager should now be part of the record and should be printed with the proceedings so that we may have them.

The CHAIRMAN: Well, each of us has a copy of them. Why go to the expense of printing them again in the records?

Mr. COLDWELL: I think, as a matter of fact, they should be part of the record. While we are here to-day, we may not be here two, three, four or five years from now. As you know, we refer constantly to the reports of former committees.

Mr. Ross: I think perhaps we should discuss it a little more before we have them printed. We might do it next time. We have not discussed the conclusions in that report yet. We have not touched the Thompson report either. I think we should leave it over.

Mr. COLDWELL: We discussed the Thompson report yesterday or the day before.

The CHAIRMAN: Is it the wish of the committee that the Thompson and Plaunt reports be printed in the record?

Mr. COLDWELL: I think they should be.

The CHAIRMAN: Very well. We will see that they are printed in the record as Appendices. (See Appendices 1 and 2). What is the wish of the committee

with reference to the meetings next week? We shall try to meet on Tuesday, the 23rd, at 11 o'clock. Do you wish to continue with Major Murray or are you through with him?

The WITNESS: I have lots more, Mr. Chairman.

Mr. COLDWELL: I think perhaps we should give Mr. Murray a rest. How would it be to call the treasurer, Mr. Baldwin, next Tuesday and get that cleaned up?

The CHAIRMAN: All right; either him or Mr. Rush, the controller of radio. He might be called to discuss the matter which was mentioned. We asked about frequency allotments and licensee revenues at the beginning of the meeting.

Mr. COLDWELL: We may be able to get through with two witnesses in the morning.

Mr. Ross: I suggested to Dr. Frigon this morning that there are many things about radio broadcasting that are really quite interesting from an engineering standpoint and so on. I think he could explain it quite simply for us and give us an idea, by way of graphic illustrations of one kind and another, just what it is all about. He said he thought he could do that for us.

The CHAIRMAN: Well, whom do you want here on Tuesday? Let us decide that.

Mr. COLDWELL: I will move that the treasurer be called.

Mr. HANSON: And Mr. Rush.

The committee adjourned to meet Tuesday at 11 o'clock.

APPENDIX 1

REPORT ON THE STRUCTURAL ORGANIZATION AND THE FINANCIAL ADMINISTRATION OF THE CANADIAN BROADCASTING CORPORATION

CANADIAN BROADCASTING CORPORATION

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REPORT ON THE STRUCTURAL ORGANIZATION AND THE FINANCIAL ADMINISTRATION OF THE CANADIAN BROADCASTING CORPORATION

INTRODUCTION

Alan B. Plaunt, Esquire,
Board of Governors,
Canadian Broadcasting Corporation,
Ottawa, Canada.
Dear Sir:

Scope of survey—

We have examined the organization and functioning of the undermentioned headquarters departments located at Ottawa, Montreal and Toronto:—

At Ottawa—Treasurer's and Secretary's Departments

At Montreal—Engineering Department

At Toronto—Program, Traffic, Commercial, Press and Information, and station Relations Departments.

We also visited the Quebec Regional offices and studios at Montreal, the transmitter at Vercheres, and the Ontario regional offices and studios at Toronto. We discussed the organization and administration of the corporation with the general manager, the assistant general manager, the heads of the relevant departments and other officials.

We have not made any attempt to inquire into the capabilities or qualifications of the personnel of the organization, as this was not embodied in our instructions.

While it has been necessary for the purpose of our report to review, in a general way, the financial position and policies of the corporation and its accounting system, we have not, of course, made an independent verification of its financial statements or an audit of its accounts or revenues or expenditures. This is the function of the Auditor General, in his statutory capacity as auditor of the corporation's accounts.

In connection with our survey we examined the following documents and publications:—

- (a) Minutes of the Board of Governors and the Finance Committee.
- (b) Published reports of the Corporation and the treasurer's annual accounts and budget estimated.
- (c) Reports of the Auditor General of Canada and parliamentary appropriations for the Corporation.
- (d) The Canadian Broadcasting Act, 1936, and the by-laws and regulations of the Corporation.
- (e) Report of the Royal Commission on Radio Broadcasting dated 11th September 1929, and subsequent reports of various parliamentary committees.

In dealing with the matters referred to us for consideration we have borne in mind both the extent and rapidity of the Corporation's expansion.

Act of Incorporation

Following the report dated 11th September 1929 of the Royal Commission on Radio Broadcasting (known as the Aird Report) and the report of the special parliamentary committee dated May 1932, the Canadian Radio Broadcasting Commission was created for the purpose of establishing a nationally owned broadcasting system. This Commission pioneered the establishment of a national network which ultimately broadcast six hours of programs daily.

We are informed that certain functional difficulties resulted from the constitution of the Commission. These and other matters were examined by parliamentary committees in 1934 and 1936. The committee of 1934 recommended, among other things, that the actual management of the broadcasting organization should be vested in a general manager instead of three Commissioners.

The committee of 1936 recommended:—

- (1) The recasting of the national broadcasting organization along more flexible lines.
- (2) The repeal of the 1932 Act.
- (3) The enactment of legislation which would place the direction of broadcasting under the jurisdiction of a public corporation modelled along the lines of a private corporation, with adequate powers to control and co-ordinate all broadcasting in the public interest.
- (4) The appointment of a Board of nine governors, chosen to give representation to all parts of Canada, to direct policy.
- (5) The appointment of a general manager, as chief executive, and of an assistant general manager.
- (6) The taking of immediate steps to extend the coverage of the national system.

The committee's recommendations were subsequently incorporated in The Canadian Broadcasting Act, 1936, assented to 23rd June 1936, and effective from 2nd November 1936. (See Appendix "A").

Review of the development of the corporation—

Physical assets acquired by the corporation from the former Commission on 2nd November 1936, were appraised at \$330,000. These assets included:—

- (a) Stations owned outright at Ottawa, Windsor and Vancouver.
- (b) Stations leased at Toronto, Montreal, Chicoutimi and Quebec City.
- (c) Studios and studio equipment at a number of other points, and
- (d) Furniture and office equipment.

At 2nd November 1936, the corporation's network included 46 privately owned stations of which 17 acted as "basic" or regular outlets for corporation programs. Each of the latter was under contract to carry the former commis-

sion's programs for a minimum number of hours daily, at a total cost of approximately \$100,000 per annum. With the remaining 29 stations the transmission was optional.

The Aird Report and reports of successive parliamentary committees had recommended the nationalization of radio in Canada to make available to listeners the best possible Canadian programs. With this in view, the corporation at the outset decided on a comprehensive plan of national coverage involving the construction or acquisition of new high power or other stations necessary to provide a complete system of coverage. The plan also envisaged other improvements, including extended studio facilities. The execution of the corporation's policies has resulted in the elimination, by successive stages, of the payments previously made to privately owned network stations to ensure the transmission of the programs of the public system. Mutually advantageous arrangements, we are informed, have been substituted therefor.

We are informed that on 2nd November 1936, the national network was in operation six hours per day; that in October 1937 network time was increased to twelve hours daily and that the network now operates on an average of sixteen hours per day. We are also informed that the 50,000 watt regional transmitter stations for the Quebec and Ontario regions commenced operation in December, 1937, and that similar stations in the Maritime and Prairie regions commenced operating in March and July respectively of 1939. In addition to these four regional stations the corporation also owns and operates stations in Vancouver (5,000 watts), Toronto (100 watts), Ottawa (1,000 watts), Quebec (1,000 watts) and Chicoutimi (100 watts). A 1,000 watt station owned by the corporation at Windsor is presently inactive. The corporation leases a 5,000 watt station in Montreal, which, it is understood, will shortly be taken over. In addition, the corporation has a shortwave receiving station near Ottawa.

The corporation owns or leases studios at Vancouver, Winnipeg, Toronto, Ottawa, Montreal, Quebec and Halifax.

FINANCIAL ADMINISTRATION

Capital expenditures

Capital expenditures to 30th June 1939 have amounted to approximately \$1,539,000; further major capital expenditures during the balance of the fiscal year ending 31st March, 1940, will, it is estimated, amount to \$175,000.

These expenditures are summarized below:—

(1) Cost of construction of new transmitters at Vercheres, Quebec; Hornby, Ontario; Sackville, New Brunswick; and Watrous, Saskatchewan, including unpaid commitments....	\$1,117,000
(2) Additions and extensions to existing studios, equipment and properties, including furnishings and equipment for departmental offices at Toronto and Montreal.....	313,000
(3) Purchase of site at Toronto for studio building, and cost of architectural plans for combined studio and departmental building at Montreal	66,000
(4) Equipment used in connection with the Royal Visit, including unpaid commitments.....	43,000
Sub-total	\$1,539,000
(5) Further expenditures planned for the balance of the fiscal year ending 31st March 1940..	175,000
Total	<u>\$1,714,000</u>

To the extent of \$500,000 the foregoing expenditures have been financed by a government loan. Pending a further loan from the government of \$750,000 for which provision was made in the supplementary estimates for 1939/40, capital payments have been financed from surplus or reserve funds, with a consequent saving in interest charges.

Summarizing the foregoing, the capital position appears as follows:

1. Capital expenditures incurred to 30th June 1939	\$1,539,000
2. Capital expenditures contemplated during the period 1st July 1939 to 31st March 1940.....	175,000
Sub-total	\$1,714,000
3. Financed by government loan.....	500,000
Sub-total	\$1,214,000
4. Provision in supplementary estimates for a new loan	750,000
5. Balance, financed or to be financed, by the corporation	\$ 464,000

Result of operations

The following summary shows on a comparative basis the result of operations for the fiscal period 2nd November 1936 to 31st March 1937, for the fiscal years ended 31st March, 1938 and 1939, respectively, and the budget for the fiscal year ending 31st March 1940:

Fiscal period or years ending 31st March	Thousands of dollars			
	1937 (5 months)	1938	1939	1940
Revenues:				
Licence fees	742	1,897	2,652	2,750
Commercial revenues, before cost of commercial department and similar deductions	95	411	585	700
Lease of lines for subsidiary hook-ups (gross) .....	....	....	57	70
Other revenues .....	....	1	17	20
Total revenues	837	2,309	3,311	3,540
Expenditures: (a)				
Program production—				
Artists' fees	220	595	710	751
Production salaries and expenses.....	33	140	212	780
Studio operation—salaries, rents and other expenses	138*	259	331	
Supervision .....	....	67	140	
Station network—cost of lines and leases of time on private stations	247	536	588	653
Engineering, including supervision, operation and maintenance of stations and studios	*	287	468	603
Administration and head office salaries and expenses	70	147 (b)	140	157
Publicity, press and information.....	....	28	67	68
Commercial and station relations departments .....	....	55	78	100
Unallocated .....	....	....	....	50
Total expenditures, before interest, depreciation and debt retirement.....	708	2,114	2,734	3,162
Operating surplus, before interest, depreciation and debt retirement.....	129	195	577	378

Fiscal period or years ending 31st March	Thousands of dollars			
	1937 (5 months)	1938	1939	1940
Deduct:				
Interest on government loan.....	....	....	17	28
Depreciation represented by—				
Amount of debt retirement on gov- ernment loan.....	....	....	50	50
Amount of capital additions and im- provements to existing plants..	72 (c)	107	153	100 (d)
Sub-total	72	107	220	178
Net operating surplus.....	57	88	357	200

(a) There has been some reclassification of expenses which makes a detailed comparison of certain items impracticable.

(b) Includes a retiring allowance to the former head of the commission.

(c) Provided from surplus account.

(d) Tentative.

General statistics:	1937	1938	1939	1940
1. Radio licences issued in fiscal year ended 31st March (nearest thousand).....	1,039 1936 Nov. 1	1,104 1937	1,224 1938 June 30	1,260 1939
2. Employees:				
(a) Number of employees	135	230	383	525
(b) Total annual salaries (thousands of dollars)	257	416	623	836

It is important to bear in mind that a very large proportion of the operating costs are more or less fixed. Such items comprise:

- (a) Operating and maintenance costs of studios and stations, together with salaries of the technical and announcing staffs.
- (b) Cost of wire lines.
- (c) Administration.

The corporation's income is presently limited to revenue derived from licence fees, fixed as to rates by order-in-council, and to commercial revenues limited to the extent referred to later. It follows that the amount available for artists' services and program production generally is necessarily limited when the foregoing is taken into account. However, it should be pointed out that total operating surpluses of the corporation to 31st March 1939, available but not used for program production, after setting aside \$382,000 for depreciation, and after certain minor adjustments, amounted to \$494,000. This amount was almost wholly spent on plant additions. In our opinion major capital expenditures should not in future be financed out of income but from loans secured for the purpose.

Depreciation aggregating \$382,000 has been provided more or less arbitrarily. We are informed that the provision each year represents the equivalent of capital expenditures on improvements and additions to existing plants plus the principal amount paid annually on the government loan. This loan of \$500,000 was obtained for the construction of the Quebec and Ontario regional transmitters, and it was agreed that it should be paid over a period of ten years which was considered to be the serviceable life of this class of plant.

We recommend that depreciation be provided annually by the application of proper rates to the various classes of plant, bearing in mind that it should be on a generous scale in order to provide for obsolescence. No attempt should be made, however, to provide from operations both for depreciation and for debt retirement, as present day licensees should not be expected to provide capital sums for the benefit of future generations at the expense of program production.

Revenues:—

Licence fees—For particulars regarding policy and rates refer to Appendix "C".

Commercial revenues—The amounts shown in the statement on page 5 are after deducting commissions paid to advertising agents, payments to private stations for carrying sponsored programs and payments of certain direct costs. No deduction has been made from such amounts for the salaries and overhead of the commercial and station relations department.

Expenditures:—

With the growth of the corporation's activities and increased revenues, there has been a corresponding growth in expenditures.

Operating expenditures, excluding interest, depreciation and debt retirement increased from \$2,113,691 in 1938 to \$2,734,265 in 1939 and show a further estimated increase to \$3,161,750 for the year ending 31st March, 1940.

The current budget thus makes provision for an estimated increase over the previous year in direct operating expenses of approximately \$427,000, made up largely as follows:—

Engineering department:

Provision for maintenance and operation of the new Maritime and Prairie transmitter stations; provision for expenses in connection with the Royal Visit.....	\$134,000
Provision for additional wire line costs to connect with the above stations, leasing of a line from Seattle to Vancouver, and increase in the network wire rates effective from 1st October, 1939.	65,000

Program department:

Added provision for artists' services.....	40,000
Provision for Canadian Press news service, rural broadcasts, Royal Visit and other items.....	100,000

Miscellaneous:

Salary increases, cost of advertising, etc.....	38,000
Unallocated	50,000

\$427,000

Expenditures have now reached a high level, and further sums for program production must necessarily be dependent upon better collections from licence fees, changes in commercial rates or in the scale of licence fees, new sources of revenue and such savings as may be made by observing strict economy in all other departments.

PRESENT ORGANIZATION AND DEPARTMENTAL FUNCTIONS

As a result of our discussions with officials and departmental heads and our visit to the main departmental offices, we have prepared and attach herewith as Appendix "E" a chart of the organization in the manner in which we understand it is now functioning. It shows that there are nine headquarters departments in the organization. These are enumerated hereunder, with departments somewhat related in function grouped together:—

Program	}	located at Toronto
Commercial		
Press and information		
Traffic		
Station relations	}	located at Montreal
Engineering (includes purchasing)		
Chief executive offices	}	located at Ottawa
Treasurer		
Secretary		

The operating organization across Canada has been centralized at five regional headquarters. These are referred to later.

Program department—

This department, together with the traffic division, is located on the premises leased in the Monetary Times Building at 341 Church Street, Toronto, and is under the supervision of Mr. E. L. Bushnell who reports direct to the general manager. There are thirty-six on the staff at a present annual salary cost of \$66,540. Excluding the head of the department and his assistant, there are only thirteen employed directly on production work, the balance being clerks and stenographers.

The main functions and objects of this department are to provide or direct the provision of national and regional sustaining program service of a quality and character comparable with the standard required by the board and executive; to consider and recommend on the suitability of all commercial programs submitted for acceptance by the commercial division and to maintain a proper balance between the number and character of commercial and sustaining programs; to maintain a constant search for new talent and program ideas; to determine the reaction of listeners to the C.B.C. programs and to report on the standard of programs broadcast by privately owned stations, etc. References are made later to the manner in which this department is related in its functions to the commercial, traffic, press and information and station relations departments.

Mr. Bushnell, as head of the program department, has more or less complete supervision of the expenditure on artists' fees (which is the corporation's largest item of expenditure) and also such incidental items as music, manuscripts, recording services, rental of halls, station charges for program originations, Canadian Press news service, etc. He is also responsible for the direction of the program activities at each of the regional centres, including the appointment (subject to the approval of the general manager) and the efficiency of the staff who are on program production work at those points. For all of the above he is allowed a certain amount under the budget each year and he is required to keep his expenditures within the limits authorized. In order to assist him in this the treasurer at Ottawa supplies him from month to month with a detailed statement of the cash expenditures made for the account of the program department; in order further to control more effectively his budget for expenditures on artists' fees, he allocates what he considers a fair proportion to each region and obtains weekly reports from the program heads at such points to ascertain that they are keeping within their respective allotments. For this purpose he is obliged to keep a separate commitment system.

The statement on page 5 shows provision for expenditures on programs and for program production of \$1,531,000 for the fiscal year ending 31st March, 1940; of this \$751,000 is allocated for artists' fees, being the equivalent of approximately \$14,500 per week.

One of the important functions of the financial administration of the corporation is to make available the maximum amount of monies for program production. In this connection we have discussed the present program budget and plans with Mr. Bushnell and various other officials and the consensus of opinion is that in order to improve the quality of sustaining programs additional expenditures of money are essential to take care of the following:—

1. Better standards.
2. Adequate rehearsals.
3. Increased production staffs and higher remuneration.
4. Greater departmentalization with skilled artists in charge of music, drama, education and other phases of program production.

To accomplish the foregoing the general manager and other officials state that the combined appropriation for outside talent in the form of artists' fees

and the corporation's own program production department should be increased gradually at the rate of about \$125,000 per annum over a period of four years until the annual appropriation reaches \$500,000 over present appropriations. This would enable the management and the head of the program department to carry out substantially their present plans. As to the prospective source of the moneys for this purpose they state that the increase in licence fee revenue over the next four or five years, under normal conditions and at present rates, has been estimated at \$150,000 per annum and that four-fifths of it should be set aside to cover the increased budget for program production. If, however, these increased revenues should not materialize, other potential sources of revenue will have to be obtained if the program plans are to be gone ahead with.

Commercial department—

This department, together with the press and information and station relations department, is also located in leased premises at 1 Hayter Street, Toronto, and is under the supervision of Mr. E. A. Weir who reports through the assistant general manager. A Quebec regional division of the department is located at Montreal so as to be close to advertising agencies there and supervise commercial broadcasts for the French regional network. There are 26 on the staff at a present annual salary cost of \$46,290.

The department is indirectly a program producer, inasmuch as it arranges with private individuals or firms for the broadcasting of their sponsored programs. The allotment of such "commercial" time on the Canadian networks and on C.B.C.-owned or basic stations is, however, necessarily controlled by the head of the program department and the management, in order to give priority to good sustaining programs and to maintain a proper ratio between time allotted to commercial programs and sustaining programs respectively. While there is nothing specifically in the act or the regulations of the corporation to limit the time to be apportioned to commercial broadcasting, we understand it is the view of the management that the quota of time presently given to this class of program has reached its limit, having regard to the public service responsibility of the corporation.

In addition to arranging for the sale of time to sponsors, the department prepares rate structures and rate cards for station and network facilities and station coverage statistics for the information of advertising agencies and others.

The assistant general manager informs us that the present rates charged for time for commercial programs were established before there was any appreciable amount of network broadcasting in Canada; that on the whole the rates are lower than those charged for comparable facilities in the United States, and that the rates could be increased about 10 per cent without much difficulty. Both the general manager and the assistant general manager, however, state that it is the corporation's aim to maintain cordial relations with Canadian newspapers and publishers and accordingly it is not the intention to increase commercial revenues beyond the present level as shown on page 5 of between \$600,000 and \$700,000 per annum. An increase in the present rates, however, would enable more time to be made available for sustaining programs and at the same time produce substantially the same amount of revenue.

At meetings of the finance committee held in April and July, 1939, consideration was given to the method of reporting commercial revenue in the corporation's accounts. Approval was given to a plan whereby "net commercial revenue" would be determined by charging as heretofore against gross revenues:—

- (a) Commissions to advertising agencies.
- (b) Payments to private stations for their services.
- (c) Payment of certain direct costs.
- (d) Overhead of the commercial department.

and in addition the following expenses, not previously charged:—

- (1) 10 per cent of the aggregate expenses of the engineering and general administration departments.
- (2) Wire line costs on a proportionate basis.

The commercial department functions merely to produce a limited amount of supplementary revenue; administration, engineering and wire costs are largely incurred irrespective of whether or not any commercial revenue is obtained. Therefore, we advise against the allocation of any portion of such expenses against commercial revenue. The commercial revenue might, however, be shown in the annual accounts after deduction of the commercial department's overhead, providing the basis of arriving at the amount is indicated.

Press and information department—

This department is located at Hayter Street, Toronto, and is also managed by Mr. Weir, who in this instance is directly responsible to the general manager for its activities. Including the department's representatives at Halifax, Montreal, Winnipeg, Toronto and Vancouver, there are sixteen on the staff at a present total salary cost of \$27,600.

The main functions of the department are the issuing of national or regional weekly program schedules, etc., to newspapers for publication, the preparation and issue of promotional literature and other publications, the establishment and maintenance of cordial working relations with newspaper editors and officials of public bodies on matters involving the corporation's activities; also to collect, collate and supply to other departments information in regard to the listening habits and opinions of the public on programs broadcast and to provide a general information service.

The budget for this department for the fiscal year ending 31st March 1940 amounts to \$67,950, consisting largely of staff salaries and printing costs.

Traffic department—

This department is located in the program department offices on Church Street, Toronto, in charge of a traffic manager with five assistants. The present annual salary cost amounts to \$10,390.

The department's principal functions are to prepare, in advance, daily line transmission service orders for all programs and to deliver them to the transmission wire line companies and to the corporation's various operating centres; the department also checks the wire company's transmission reports and accounts, places orders for all special wires, local hook-ups, etc. and furnishes to any interested parties when requested the cost of lines for network programs. The department is a small facility department servicing the program and commercial departments and the operating section of the engineering department.

The expenses of this department are included in the statement on page 5 as part of the operating expenses of the program department.

Station relations department—

This is a small department located at Hayter Street, Toronto, under a supervisor who is directly responsible to the general manager. The staff totals nine at an annual present salary cost of \$12,060. Its principal functions are to deal with, and keep the management advised on all matters affecting the corporation's relations with private stations; to arrange for the distribution of C.B.C. programs to them, and to enforce the corporation's regulations affecting them.

The expenses of the department are included in the statement on page 5 with those of the commercial department.

Engineering and purchasing department—

This department is located in leased premises in the Keefer Building on St. Catherine Street West, Montreal. It is under the supervision of the chief engineer, Mr. G. W. Olive, who is immediately responsible to the assistant general manager. The staff at present numbers 59 (including 12 temporaries) and the present annual salaries aggregate \$97,290. Its functions are divided into five main sections, namely:—

1. The operation and maintenance section which is responsible for the technical operation and maintenance of all stations and equipment owned or operated by the corporation, and also for the technical supervision over the operation of wire lines used.
2. The purchasing and stores section.
3. The designing and construction section, which supervises designing and construction of stations, studios and certain equipment.
4. The architectural and drafting section.
5. The development and research section, which keeps abreast of all new developments in broadcasting and related fields.

In addition to the supervision of the engineering, commercial and treasury departments, the assistant general manager has been made responsible for the organization and activities of the corporation in the Quebec region and accordingly is its acting regional manager. His executive office together with his executive staff of four is located in the offices of the engineering department. The Quebec regional studios and offices are, however, located in a separate building on St. Catherine Street with the result there are inter-office communication costs and duplication of certain expenses which would be avoided if all the activities at that point were centralized in one building. Reference is made later to the corporation's plans for such a building.

The chief engineer's duties not only include the supervision of the technical staff and equipment at stations, but embrace the direction of the purchasing branch. This branch purchases all new equipment, operation and maintenance materials, supplies, printing, etc. Purchase requisitions, after approval by regional officers, are forwarded to Montreal for examination and authorization of the assistant general manager. This involves the keeping of detailed records in Montreal, in order to ensure that expenditures are kept within budget appropriations. Later, suppliers' invoices are forwarded to Ottawa for payment.

Confusion arises through suppliers sending invoices directly to the treasurer at Ottawa, and in such instances accounts are forwarded by the treasurer to Montreal for approval.

Under the present system the treasurer first secures control of expenditures when invoices are forwarded to him for payment, as he keeps no commitment records. To secure information relative to outstanding obligations, it is necessary for him to tabulate copies of purchase orders or to secure the information from Montreal. Obviously, this system is undesirable, as it leads to duplication of records, increased costs of administration and prevents efficient administration.

With the centralization of all administrative departments at one point, it will be possible to effect budgetary control under the treasurer, who should be charged with that responsibility. We believe also that the purchasing branch should be under his supervision.

Administration and management—

Reference has been made to the provisions of the Broadcasting Act relating to the appointment of the board of governors, the chief executive and the assistant general manager. The act also envisages the possibility of an executive committee, though such a committee has never actually been established. Presently there are two sub-committees of the board, a finance committee

which advises the board on financial matters and a committee on applications which advises on technical applications.

The by-laws of the corporation were approved by the governor-in-council on 5th November 1936 and 16th March 1937. The more important provisions relative to management and control are summarized in appendix "B".

The regulations of the former commission remained effective until 1st November 1937, on which date new regulations drawn up by the corporation became effective. These regulations control the establishment and the operation of chains or networks of stations in Canada and broadcasting activities generally of both the corporation and private stations.

We are informed also that a budget committee has been appointed consisting of the heads of the various headquarters departments, who meet with the assistant general manager and submit their recommendations to him; the latter in turn reports to the general manager who submits his recommendations to the board.

The general manager informed us that immediate supervision of the engineering, finance (treasurer's), and commercial departments has been delegated by him to the assistant general manager, who is responsible to him for their administration.

In addition, as previously indicated, the assistant general manager acts as regional representative for the Quebec region. His executive offices are located in Montreal, but he spends an average of two days a week at the Ottawa offices.

During the construction period it was advantageous to charge the assistant general manager with active supervision over engineering activities, having in mind his special qualifications. Pending the appointment of a Quebec regional representative it was natural for him to act in a temporary capacity. As regards the treasurer's and the commercial departments, active supervision enabled him to make a special contribution to certain of the corporation's activities. Though he must necessarily continue to fulfil a special function with respect to the Quebec region and all problems relating to French speaking programs, he should not be expected indefinitely to bear the burden of detailed administration required of a regional representative.

We believe that the affairs of the corporation have now reached the stage where the general manager and the assistant general manager should function as one management unit and that both should be located at executive headquarters. We recommend that the duties of the assistant general manager be enlarged so that he may assist the general manager in administration of all departments and activities, having in mind the national character of the organization.

We also suggest that in order to inform the general manager of all activities of the corporation, all department heads should report to him. The adoption of this plan will ensure unified control of operations throughout Canada and more efficient management.

Location of headquarters departments—

We were advised that at the date of inception of the corporation all the administrative and other departmental staffs of the former commission were located in Ottawa, but that with the growth and expansion of the corporation's activities it was deemed advisable to transfer the program department to Toronto which is the main English-speaking program production centre. Toronto is an important contact centre for obtaining commercial or sponsored programs, and the commercial and other departments which are closely related to the program department in their activities were also transferred to that point; also, that upon the corporation formulating plans for its construction program it was deemed advantageous to transfer the engineering division (which includes the

operating and purchasing sections) to Montreal where the large suppliers of electrical and radio equipment are situated, and where technical information on electrical or radio matters may be readily obtained.

We are further informed that the transfer of these departments was to some extent necessarily of an experimental nature. The chief executive offices, treasurer's and secretary's departments remained at Ottawa.

With the growth in the activities of the departments transferred to Montreal and Toronto, costs of administration increased substantially due to increased expenditures for inter-office communication and some duplication in overhead expenses. Of greater importance, however, is the fact that efficient administration could not be achieved under this plan. We recommend that headquarters departments be consolidated at either Montreal or Toronto, as set forth in detail later in this report.

Treasury Department—

This department is under the supervision and direction of Mr. Harry Baldwin, C.A. His staff of 22 comprises 15 at the head office at Ottawa and 7 regional cashiers with assistants at Montreal, Toronto, Winnipeg and Vancouver, at a present annual salary cost of approximately \$30,000. These regional cashiers were appointed for the purpose of keeping a close check upon regional expenditures, particularly artists' fees, and to minimize the former delay in the payment of weekly salaries.

In addition to the control of finances, the department keeps the accounts of the corporation and prepares financial and budget statements. The accounts of the treasurer are on a cash basis from month to month, as far as expenditures are concerned; accordingly at each month-end expenses which have accrued and any unpaid commitments, whether on capital or on operating account, are not recorded until paid in subsequent months. This practice is departed from at the end of each fiscal year to the extent of making provision for all unpaid liabilities on operating account.

At 31st March 1939, however, the accounts did not include capital liabilities of \$315,573 owing on capital works which were largely completed at that date. Failure to record these liabilities showed the corporation's financial position much more favourably than was actually the state of its affairs. Appendix "D" shows the balance sheet of the corporation, adjusted to include these unpaid accounts.

Each month cash statements of receipts and payments, giving comparisons with the budget are prepared and forwarded to the Minister of Transport, Chairman of the Board, general manager and each member of the financial committee. Failure to take unpaid liabilities or commitments into consideration results in an incomplete picture being given of the Corporation's affairs. The accounts should be kept on an accrual basis and we recommend:—

- (1) That the purchasing agent be placed under the supervision of the treasurer, thus providing a central point through which all requisitions for most expenditures must pass and enabling the treasurer to keep informed of all liabilities being incurred.
- (2) That budget records be centralized and placed under his supervision, this obviating the necessity of separate commitment systems being maintained by the program and engineering departments.
- (3) That purchases of materials, etc., and expenses be recorded in the books as the purchases are made or the expenses incurred, and that a list of any outstanding liabilities or accrued expenses at regional centres and other points at the month-end be forwarded promptly to the treasurer's office.

- (4) That certain routine and functions of the secretary's department be transferred to the treasury department, and that the latter be informed of all appointments to the staff, increases in salaries, contracts involving the expenditures of monies, etc. It is essential that the treasurer be kept informed of all such matters.
- (5) That monthly statements be prepared on the revised basis and be accompanied by a balance sheet showing the financial position of the corporation.

The treasurer's duties should include a study of all data available or obtainable in connection with licence fee revenues, compilation and study of statistics having a bearing upon revenue possibilities, the search for new sources of revenue and a review from time to time of the collection methods and collection charges made by the department of transport. He should attend all meetings of the finance committee and all meetings of the board when matters of finance, expenditure of monies or expansion of the organization are being discussed, and should have access to the minutes of the board and the finance committee.

Implementation of the foregoing recommendations will strengthen and co-ordinate financial control, and should lead to more efficient management. In his enlarged and elevated capacity the treasurer might more properly be designated as financial controller, and he should be charged with the duty of advising the management and the board on all financial matters.

Secretary's Department

Executive Staff.—The staff over which the present secretary has immediate supervision at Ottawa numbers twenty-five and is made up of the following:—

Secretary's assistant, clerks and stenographers.....	8
Law clerk	1
Central registry and filing section.....	6
Stenographic section	4
Telephone and teletype operators.....	2
Receptionists	2
Office boys	2
	<hr/>
	25
	<hr/>

Present salaries of the department aggregate \$31,500 per annum.

He is responsible for the custody of all records and important documents, and for administrative control of the personnel of the corporation, including the recording and consideration of applications for employment. He controls the salaries budget, subject of course to the direction of the general manager. Other duties of the secretary are stated to include the consideration of policies dealing with copyrights and the approval of all payments in connection therewith; the supervision of the staff of the central registry; and, the responsibility for installation and operation of office systems at head office and branches, including periodical inspection of the branch offices.

The present head office executive staff at Ottawa consists of a chief executive assistant and a staff of ten comprising four executive assistants, a public relations officer and five stenographers. There is also an executive staff of four at Montreal to assist the assistant general manager. Their combined present salaries, excluding the chief executive assistant, aggregate \$23,680 per annum.

Certain of the functions of the present secretary's department are closely inter-related to those of the present executive staff section, and for this reason we think these two divisions might be merged into one group designated as the executive secretariat as shown on appendix "F". This group would include the secretary of the Board, the special assistant to the management, private

secretaries, legal clerk and other personnel. Its duties would consist of preparation of documentation for board meetings and committees of the board, keeping of minutes, preparation of annual and special reports, maintenance of a central registry, etc. All communications to the public or instructions to the staff emanating from this section should be signed by the general manager or assistant general manager.

Under this plan certain of the present functions of the secretary, such as installation of office systems, branch inspections and supervision of the clerical staff would fall under the direction of the treasurer.

The duties of the chief executive assistant at present are stated to be of general assistance to the management in the control, administration and policies of the corporation and to advise on matters relating to the proper administration of the Act, regulations, etc. It would seem preferable that his duties along these lines be confined to matters of administrative detail as separate and distinct from the executive staff section, whose duties should be more or less concerned with assisting the management on matters of policy and relations with the public. It is also understood that this official renders valuable service as an adviser on technical matters of an international character. In his new capacity this official might be more properly designated as chief administrative assistant.

Regional Organization

Some time ago the board authorized the decentralization of program production and local administration into the five principal geographic divisions of Canada, namely, the Maritimes, Quebec, Ontario, the Prairies, and British Columbia, and authorized the opening of regional offices at Halifax, Montreal, Toronto, Winnipeg and Vancouver. It was felt that by this means local talent and resources could best be developed and organized, local interests best served and more efficient supervision of broadcasting operations obtained. We are informed that it was the intention to appoint a representative in charge of each region who would, in effect, be a local manager with executive capabilities and who would be directly responsible to the general manager for all the operations of the corporation in his region. To date only the British Columbia representative has been appointed, while the assistant general manager in addition to his other duties at present supervises the Quebec regional operations.

It is further planned that each regional representative should have an assistant in charge of program production, engineering, publicity and news, and accounting respectively in the region. Certain of the functions of these proposed officials are now being carried on by the staff at some regions. For example, most of the regions now have a regional engineer and certain accounting and publicity work is being carried out at each of them, but the important official that is lacking at all the regional offices except Montreal is a regional program director. In addition to co-ordination for purpose of national network broadcasting, this arrangement would enable each region to operate to some extent independently and so best serve regional interests and aspirations.

It is, of course, essential that the regional representative should be kept fully informed of all phases of operations within the region, that the position and status of each member of the staff be clearly defined, and that the entire regional staff be responsible to him for discipline. In order to facilitate this objective the regional departmental assistants should report through him to the respective national headquarters departments, and receive their directions and instructions through the same channel. For example, the regional program director would report through the regional representative to the general supervisor of programs.

We think the corporation's plans in the above regard are not only most desirable but necessary for the proper functioning of the organization over such

a large territory. The delay in appointing the representatives (other than at Vancouver) and the assistants mentioned is, we understand, largely due to lack of moneys available for that purpose.

CONTEMPLATED EXPANSION PLANS

The corporation's plan of national coverage has made substantial progress with the completion of the four high power regional transmitters and other improvements. The officials of the corporation appear to be of the opinion that, apart from the provision of improved studio facilities and certain technical extensions, no large scale capital undertakings should be contemplated until considerably augmented revenues are available for program production and to cover the carrying charges on such undertakings.

The following, however, is a list of extensions which the officials advise us are desirable as soon as funds become available:—

- (1) The erection of a general purposes building at Montreal and Toronto to house the studios and the head office departments at each of these cities; the estimated combined cost including land and furnishings is \$1,800,000;
 - (2) The construction of new or improved studios at Halifax, Quebec, Ottawa, Winnipeg and Vancouver;
 - (3) The construction of new 5-kilowatt transmitter at Station C.B.M. at Marie-Ville (near Montreal) capable of being raised later to 50-kilowatts, at an estimated cost of \$135,000 (already authorized by board);
 - (4) The construction of new transmitter station at Windsor at an estimated cost of \$40,000 (already authorized by board);
 - (5) The improvement of coverage in British Columbia, including possibly the enlargement of the present Vancouver transmitter station;
 - (6) The construction of a 5-kilowatt station at Toronto possibly fitted with equipment capable of permitting power to be raised later to 50-kilowatts; estimated initial cost \$70,000;
 - (7) The improvement of coverage in Northern Ontario and the Gaspé Peninsula and other areas not now adequately serviced by radio;
 - (8) The enlargement of the present station at Chicoutimi, Quebec;
 - (9) Depending upon the policy of the board, the possible absorption of certain existing private stations and the construction of stations required to fill the gaps in the network across Canada;
 - (10) At some future date buildings at the three other regional centres, Halifax, Winnipeg and Vancouver, similar to those planned for Montreal and Toronto but on a much smaller scale;
 - (11) The construction of a high power (50-kilowatt) short wave transmitter station; capital cost estimated at \$350,000 and annual operating cost (including provision of \$150,000 for programs) estimated at \$250,000;
- (Various parliamentary committees have emphasized the importance of establishing such a station at the earliest possible date and have recommended that it be financed as a national undertaking but operated and controlled by the corporation).
- (12) The installation of facsimile and television systems.

(The parliamentary committee of 1939 approved the corporation's policy of opposition to the alienation of these two fields to private exploitation. We understand that the corporation intends as soon as possible to undertake experiments in facsimile broadcasting).

Reference is made in the next section of this report to plans for obtaining a further loan of about \$1,800,000 from the Dominion for construction of the buildings in Montreal and Toronto. With the exception of the new transmitters at Marie-Ville and Windsor, construction of which has been authorized and which will be financed from the corporation's working funds as augmented by the

\$750,000 loan already authorized, no definite plans have been made as yet for providing the moneys necessary for the other capital expenditures.

CENTRALIZATION OF ALL ADMINISTRATIVE DEPARTMENTS

We have discussed throughout this report the disadvantage of decentralization of the administrative departments of the corporation. While the act requires that the head office be situated at Ottawa, we understand that there would be no legal difficulty in transferring the departments at Ottawa to either Toronto or Montreal, provided executive offices were maintained in Ottawa. These could be used as required by the board, the general manager and the assistant general manager. Under this plan it would appear desirable to have a representative of the executive stationed in Ottawa to act as liaison officer between the corporation and the government.

The present staff in the Ottawa office, exclusive of the management, totals fifty-two, and it would be expected that with the transfer of the departments to Montreal or Toronto certain of the junior members of the staff would not be required.

The two main production centres of the corporation are Montreal and Toronto. In addition there is at each point at present about an equal proportion of certain head office departmental activities. On this account it is not material which point was chosen for the central office. The management and certain senior officials of the corporation, however, favour Montreal as the logical location, having in mind that the engineering and purchasing offices are presently situated there, and that the French and English activities and the development of cordial relations between them could best be handled from that centre. In this case it would be necessary to transfer the program, commercial and other related departments now at Toronto, to Montreal, but at the same time maintaining an important branch of the commercial department at Toronto which must necessarily remain the major English-speaking production centre in Canada.

The corporation has already made plans for constructing buildings at Montreal and Toronto; in Toronto land has been acquired on which it is planned to erect a studio and office building at a cost of about \$825,000 to house the studios and offices at that point; at Montreal the corporation has authorized plans to be drawn, which will be ready about October, for a general purposes building estimated to cost also about \$825,000 and of sufficient size, we are informed, to house the studios and engineering department at that point. The officials inform us that in order to house the management and the departments now located at Ottawa and Toronto, the building in Montreal could be increased slightly in size with a corresponding reduction in the size of the Toronto building. A site for the Montreal building has been offered by the City of Montreal.

According to the officials it is planned to borrow from the Dominion Government approximately \$1,800,000 at $3\frac{1}{2}$ per cent interest to finance the construction of these buildings and the cost of the land and furnishings. It is proposed to repay the principal in equal annual instalments over twenty years. This would involve a payment in the first year for principal and interest of \$153,000 but in subsequent years the total annual payment would gradually become less. This method of repayment tends to burden the corporation in the earlier years when its revenues will probably be less than in later years when it has become more established. It would seem more desirable to adopt the annuity basis of repayment with an equal annual payment of approximately \$126,000 to cover principal and interest.

In addition to capital charges there would be substantial operating and maintenance costs. On the other hand not only would there be the savings in the rentals presently paid at these points and at Ottawa aggregating about \$65,000 per annum, but there would also be considerable savings in inter-office communication expenses and certain other expenses and overhead.

According to calculations made by the management the net additional operating costs resulting from construction of the two proposed new buildings

(including the principal and interest instalments on the loan) and of centralization of all administration at Montreal would be about \$100,000 per annum. From calculations we have made this estimate appears to be reasonable. While the extra cost involved is appreciable it will make possible co-ordination in administration and will allow for the necessary future growth and expansion at these points.

The leases of the premises now occupied at Montreal expire on 30th April, 1940, while the leases of the premises at Hayter Street and Davenport Road in Toronto have expired and the premises retained on a month to month basis. The lease of the Church Street premises in Toronto expires in May, 1940, while that of the offices in the Victoria Building at Ottawa expires in April, 1941. Despite this fact it would seem advisable to transfer all the head office departments to Montreal as soon as possible, even though rented premises have to be occupied for a time during the construction of the new building.

DEFINITION OF DUTIES AND STATUS OF OFFICIALS AND SENIOR MEMBERS OF THE STAFF AND SUGGESTED PLAN OF ADMINISTRATION OF THE ORGANIZATION

In the course of our survey and as a result of discussions with various officials it became apparent that in many cases there is a lack of clear definition of the duties and responsibilities of certain officials and senior members of the staff and also their status in the organization. This condition may be due in part to the classification of the staff for purposes of their remuneration somewhat along the lines of the Dominion Civil Service Commission, i.e., designating certain of the engineering department staff as senior broadcasting engineers, others as broadcasting engineers and others as junior broadcasting engineers without indicating clearly their respective duties, responsibilities and status in the organization.

Proper channels of communication between members of the staff, officials and the management should be clearly established, so that the head of one department will not be giving instructions to a member of the staff of another department. The method of communication should in all cases be through the head of the department to ensure that he can properly direct the activities of his staff.

Throughout the report various other recommendations have been made which we think would assist in and improve the administration and are shown in the attached revised chart of the organization (Appendix "F").

We are, of course, not dealing in this report with personnel but opinions have been expressed to us from time to time by some of the officials that there is a difference in the salary levels of persons with equal or potential capabilities in the various departments; this view seems to be borne out to some extent by reference to the corporation's booklet setting forth the classification of positions in the organization and the salary rates attaching to them wherein the following comparisons are noted:—

<i>Position</i>	<i>Salary rate</i>
Senior broadcast engineer	\$3,480—\$3,920
Senior producer	3,000— 3,600
Broadcast engineer	2,700— 3,260
Producer	2,400— 2,880
Junior broadcast engineer	1,800— 2,400
Junior producer	1,700— 2,340

The above would indicate that the salary levels of the engineering department are slightly higher than those of the program department. We are informed by the chief engineer that in engaging staff in the last few years the most capable and efficient men available including many graduate electrical engineers have been chosen as they require efficient men for operation of the large transmitter stations.

The policy of engaging a large number of more or less skilled engineers (while probably justified up to date on account of the rapid growth of the

organization) results in increased operating costs because these men having been engaged at fairly high salaries, expect increases from year to year somewhat commensurate with their initial salary and if these are not given some dissatisfaction naturally arises. It would seem preferable that so far as practical the apprentice system should be encouraged whereby young men with proper qualifications and promising capabilities would be engaged at moderate salaries and trained and developed in the organization.

SUMMARY OF RECOMMENDATIONS

In concluding our report, we summarize below our recommendations.

We recommend:—

- (1) That all administrative and executive departments be centralized at either Montreal or Toronto.
- (2) That the legal head office at Ottawa be confined to accommodation for the board, the general manager, the assistant general manager and a liaison officer.
- (3) That a liaison officer be retained at Ottawa as a representative of the executive.
- (4) That the duties of the assistant general manager be enlarged so that he may assist the general manager in the administration of all departments and activities, having in mind the national character of the organization.
- (5) That department heads be required to report directly to the general manager.
- (6) That the treasurer be designated as financial controller, with enlarged duties and responsibilities.
- (7) That a special survey be made of the prospective requirements of the program department, and plans formulated for increasing existing revenues or for obtaining supplementary revenues to improve existing services.
- (8) That the duties and responsibilities of the staff, their status in the organization and the proper channels of communication between members of the staff, the senior officials and the management should be clearly defined in order that the administration may be carried out smoothly and effectively. A chart of the suggested revised plan of administration is attached as Appendix "F".
- (9) That a review be made of the basis of remuneration for the various positions in the organization having in mind their relative importance; also, that the apprenticeship system be adopted wherever possible.
- (10) That the present secretary's department be abolished and its functions undertaken by the proposed executive secretariat and the proposed financial controller's department, respectively.
- (11) That a review of the rates presently charged for commercial programs be made and the rates increased if deemed advisable.

It is suggested that recommendations 4, 5, 6, 8 and 10 be made effective without delay. With respect to the remaining recommendations, it is recognized that temporary modifications may be necessary in implementing them.

Your faithfully,

CLARKSON, GORDON, DILWORTH
& NASH.

CANADIAN BROADCASTING CORPORATION

THE CANADIAN BROADCASTING ACT, 1936

SYNOPSIS OF MAIN PROVISIONS

Section

3. (1) There shall be a Corporation to be known as the Canadian Broadcasting Corporation which shall consist of a board of nine governors appointed by the Governor in Council and chosen to give representation to the principal geographical divisions of Canada.

5. The head office of the corporation shall be at Ottawa in the province of Ontario and the corporation may establish branch offices elsewhere.
6. There shall be a general manager who shall be chief executive of the corporation and who shall be appointed by the Governor in Council on the recommendation of the corporation.
7. There shall be an assistant general manager of the corporation who shall be appointed by the Governor in Council on the recommendation of the corporation.
8. The corporation shall carry on a national broadcasting service within the Dominion of Canada and for that purpose may:—
 - (a) maintain and operate broadcasting stations;
 - (b) establish, subject to approval of the Governor in Council, such stations as the corporation may from time to time consider necessary to give effect to the provisions of this Act;
 - (c) equip stations with all such plant, machinery and other effects as may be requisite or convenient to permit of the same effectively receiving and transmitting for broadcasting purposes;
 - (d) make operating agreements with private stations for the broadcasting of programs;
 - (e) originate programs and secure programs, from within or outside Canada, by purchase or exchange and make arrangements necessary for their transmission;
 - (f) make contracts with any person or persons, in or outside Canada, in connection with the production or presentation of the programs of the corporation;
 - (g) make contracts with any person or persons, in or outside Canada, to perform in connection with the programs of the corporation;
 - * * * *
 - (n) acquire private stations either by lease or subject to the approval of the Governor in Council, by purchase;
 - * * * *
 - (q) do all such other things as the corporation may deem incidental or conducive to the attainment of any of the objects or the exercise of any of the powers of the corporation.

Section

10. Notwithstanding anything contained in this Act, the corporation shall not, unless the approval of the Governor in Council has first been obtained:—
 - (a) enter into any agreement involving any expenditure in excess of ten thousand dollars;
 - (b) enter into an agreement or lease for a period exceeding three years;
 - (c) acquire any personal property, the cost of acquisition of which exceeds the sum of ten thousand dollars, or in any manner dispose of any personal property having an original or book value exceeding the sum of ten thousand dollars.
12. (a) The corporation may make such by-laws as may be necessary:—
 - (i) to enable it to carry into effect the obligations imposed upon it by this Act;
 - (ii) to provide for an executive committee of the Board of Governors to exercise such powers as the by-laws may specify;
 - (iii) to provide for the appointment of advisory councils to advise it as to programs;

- (iv) to provide for the employment, dismissal, control and remuneration of such officers, clerks, and employees, technical or otherwise, as may be necessary for the transaction of the business of the corporation.

14. (1) The Minister of Finance shall deposit from time to time in the Bank of Canada or in a chartered bank to be designated by him to the credit of the corporation:—

- (a) The moneys received from licence fees in respect of private receiving licences and private station broadcasting licences, after deducting from the gross receipts the cost of collection and administration, such costs being determined by the Minister from time to time;
- (b) any appropriation granted by Parliament for the purposes of the corporation; and
- (c) any advances or grants to the corporation which are authorized to be made from Consolidated Revenue Fund.

(2) The corporation shall retain for the purposes of this Act all moneys received by it arising out of its business.

16. The Governor in Council, on the recommendation of the Minister, may authorize the Minister of Finance to place to the credit of the corporation working capital advances from any unappropriated moneys in the Consolidated Revenue Fund, but the aggregate amount of such advances outstanding at any one time shall not exceed one hundred thousand dollars, and such advances shall be repayable to the Minister of Finance on demand.

17. (1) The Governor in Council may authorize the construction, extension or improvement of capital works of the broadcasting facilities of the corporation in Canada and, on the recommendation of the Minister, may authorize the Minister of Finance to place to the credit of the corporation from any unappropriated moneys in the Consolidated Revenue Fund such sum or sums as may be necessary to carry out such construction, extension or improvement of capital works: provided that the total amount which may be so authorized for the said purposes shall not exceed five hundred thousand dollars.

(2) Such moneys so advanced shall bear such rate of interest and shall be amortized on such terms and conditions as may be fixed by the Governor in Council.

(3) The interest and amortization charges on the moneys so advanced shall be a first charge on the revenues of the corporation.

19. The corporation shall establish and maintain an accounting system satisfactory to the Minister and shall, whenever required by him, render detailed accounts of its receipts and expenditures for such period or to such day as he designates, and all books of account, records, bank books and papers of the corporation shall at all times be open to the inspection of the Minister or of such person as he may designate.

20. The accounts of the corporation shall be audited by the Auditor General of Canada and a statement of such accounts shall be included in the annual report of the corporation.

22. (1) The corporation may make regulations:—

- (a) to control the establishment and operation of chains or networks of stations in Canada;
- (b) to prescribe the periods to be reserved periodically by any private station for the broadcasting of programs of the corporation;
- (c) to control the character of any and all programs broadcast by corporation or private stations;
- (d) To determine the proportion of time which may be devoted to advertising in any programs broadcast by the stations of the corporation or by private stations, and to control the character of such advertising;
- (e) To prescribe the proportion of time which may be devoted to political broadcasts by the stations of the corporation and by private stations, and to assign such time on an equitable basis to all parties and rival candidates.

CANADIAN BROADCASTING CORPORATION BY-LAWS

SYNOPSIS OF MAIN PROVISIONS

No.

6. *Officers and Employees*

- (2) The employment, dismissal, and remuneration of the officers and other employees of the corporation shall be determined by the general manager provided that the appointment of officers or employees whose salary exceeds four thousand dollars per annum, shall be subject to confirmation at the first meeting of the board of governors following such appointment; further provided that the general manager may at any time suspend any officer or employees of the corporation for cause.

7. *The General Manager*

- (1) The general manager of the corporation shall be its chief executive officer and, subject to the direction of the board of governors, he shall be responsible for the carrying out of the provisions of the Canadian Broadcasting Act, 1936, and of the regulations and by-laws made thereunder.
- (2) He shall be present at all meetings of the board of governors, unless his attendance is excused by the chairman or presiding officer.
- (3) He may delegate any of his powers, other than the powers granted to him under by-law No. 6, to the assistant general manager or to any officer or employee of the corporation.
- (4) He shall from time to time prepare such reports of the activities and finances of the corporation as the board of governors may request.
- (5) On or about the first day of January in the year 1937, and thereafter upon such dates as may be determined by resolution of the board of governors, he shall submit to the board of governors an estimate of the receipts and expenditures of the corporation for the following fiscal year, together with his suggestions for the development of the work of the corporation, such estimate to contain a detailed statement of any financial requests to be made to the government.
- (6) As soon as possible after the end of each fiscal year, a report containing such information as may be required to enable the corporation to comply with sections 20 and 26 of the Canadian Broadcasting Act shall be submitted to the Board of governors at such time as the board may require.

8. *Assistant General Manager*

- (1) The assistant general manager shall generally assist the general manager in the performance of his duties and shall exercise the powers of the general manager in his absence.

11. *Recommendations for Appointment*

All letters applying for employment or recommending persons for appointment in the corporation shall be forwarded to the general manager and be kept by him at the disposal of the board of governors.

12. *Bonding Officers and Employees*

The board of governors shall determine what officers or employees of the corporation shall be bonded and all matters relating thereto.

13. *Execution of Documents*

Unless otherwise directed by the board of governors, all contracts, leases or other documents whatsoever shall be signed by the general manager or, in the absence of the general manager, by the assistant general manager, and shall be countersigned by the principal financial officer of the corporation or in his absence by the acting principal financial officer.

No.

16. *Banking*

- (1) The corporation shall open an account in a bank to be designated by the Minister of Finance in which all its funds shall be deposited, and the expenses of the corporation shall be paid by cheques drawn on such account by the treasurer or acting treasurer, and countersigned by the general manager or assistant general manager, or signed and countersigned by other persons appointed by resolution of the board of governors.

Advisory Councils

17. (1) There shall be an advisory council to be known as the Western Regional Advisory Council to advise the Canadian Broadcasting Corporation as to programs.
(2) The said advisory council shall be organized into three units, each unit to consist of not more than seven persons each, resident within the territorial unit which they represent, who shall be appointed from time to time by the corporation to represent each of the Provinces of Manitoba, Saskatchewan and Alberta.
18. (1) There shall be an advisory council to be known as the British Columbia Regional Advisory Council which shall consist of not less than three persons and not more than nine persons resident in British Columbia who may be appointed from time to time by the corporation and shall advise the Canadian Broadcasting Corporation as to programs.

CANADIAN BROADCASTING CORPORATION LICENCE FEES

These are fixed by Order in Council issued under the provisions of the Radio Act, and are collected by the Department of Transport. The amounts transferred to the corporation represent gross collections less (a) commissions paid to vendors of the licences, and (b) the Department of Transport's costs of administration which, under the act, are fixed by the Minister of Transport (for the year ended 31st March, 1939, these were set at \$150,280).

From the time of the inception of the former Canadian Radio Broadcasting Commission until 31st March, 1938, the annual licence fee for receiving sets was \$2, but effective 1st April, 1938, the fee was increased to \$2.50 per set and additional fees were charged for multiple sets in a home and radios in automobiles (the fee for battery sets outside electrified areas remained at \$2). This largely accounts for the substantial increase in the revenues from fees in the fiscal year ended 31st March, 1939, over those of the previous year. A small increase in revenue is also budgeted for the year ending 31st March, 1940; in this connection the officials of the corporation advise us that they anticipate an increase from year to year in the number of licences issued, due to an increase in the number of installations of receiving sets as a result of better broadcasting coverage, to improved economic conditions, also to the normal annual increase in the number of radio homes in Canada.

The policy of the corporation in the past has been to have transferred to it monthly from the Department of Finance a sum approximately equal to one-twelfth of the expected net revenue from licence fees for the year. The major portion of the licence fees are collected in the months of April, May and June each year and under the above plan the Government had the use of a considerable amount of the corporation's moneys for a time without interest. We are informed by the treasurer that arrangements have been made recently with the Government whereby all fees as collected, less the cost of collection and administration, should be paid over monthly to the corporation. In accordance with this plan the corporation in July received a cheque for \$800,000, representing substantially the net collections to 30th June, 1939, less the monthly amounts already transferred.

CANADIAN BROADCASTING CORPORATION

BALANCE SHEET, MARCH 31, 1939, AS PREPARED BY THE CORPORATION

ASSETS

Current—

Cash in bank.....	\$ 263,217 35	
Cash on hand and petty cash.....	2,180 10	
	<hr/>	\$ 265,397 45
Accounts receivable.....	\$ 144,128 47	
Less reserve for bad debts.....	2,000 00	
	<hr/>	142,128 47
Department of Finance.....		27,186 15
		<hr/>
		\$ 434,712 07

Fixed—

Real estate, buildings, technical equipment, music and studio and office furniture at book value.....	\$1,452,209 85	
Less reserve for depreciation, November 2, 1936 to March 31st, 1939.....	377,211 07	
	<hr/>	1,074,998 78

Deferred—

Expendable stores.....	\$ 13,004 55	
Stationery and printing.....	14,185 37	
Prepaid charges.....	8,695 54	
	<hr/>	35,885 46
		<hr/>
		\$1,545,596 31

LIABILITIES

Current—

Accounts payable.....	\$ 106,510 71	
Prepaid rents.....	80 02	
	<hr/>	\$ 106,590 73

Loan for Capital Works—

Dominion Government loan repayable in annual instalments of \$50,000 commencing January 1, 1939. Interest at 3½%.....	\$ 500,000 00	
Less repaid during year.....	50,000 00	
	<hr/>	450,000 00

Capital Surplus—

Balance April 1, 1938.....	\$ 534,573 20	
Less adjustments during year	40,196 04	
	<hr/>	\$ 494,377 16

Operating Surplus:

Balance April 1, 1938.....	\$ 149,206 11	
Less adjustments during year.....	3,488 36	
	<hr/>	\$ 145,717 75
Expenditures during 1938-39 applicable to prior period.....	8,543 54	
	<hr/>	\$ 137,174 21
Operating surplus 1938-39.....	357,454 21	
	<hr/>	494,628 42
		<hr/>
		989,005 58
		<hr/>
		\$1,545,596 31

CANADIAN BROADCASTING CORPORATION

BALANCE SHEET, MARCH 31, 1939, ADJUSTED TO INCLUDE LIABILITIES

UNDER CONSTRUCTION CONTRACTS

ASSETS

Current—

As shown—

\$ 434,712 07

Fixed—

Real estate, buildings, technical equipment, music and
studio and office furniture at book value.....

\$1,255,330 85

Less reserve for depreciation.....

377,211 07

\$ 878,119 78

Add cost of new Maritime and Prairie transmitters CBA
completed and CBK in course of construction.....

512,452 00

1,390,571 78

Deferred—

As shown—

35,885 46

\$1,861,169 31

LIABILITIES

Current—

As shown—

\$ 106,590 73

Add balances payable to contractors re construction of
transmitter stations.....

315,573 00

\$ 422,163 73

Loan for Capital Works—

As shown—

\$ 450,000 00

Capital Surplus—

As shown—

representing the physical assets, working funds and
cash taken over from former Canadian Radio
Broadcasting Commission at 2nd November 1936

\$ 494,377 16

Operating Surplus—

As shown—

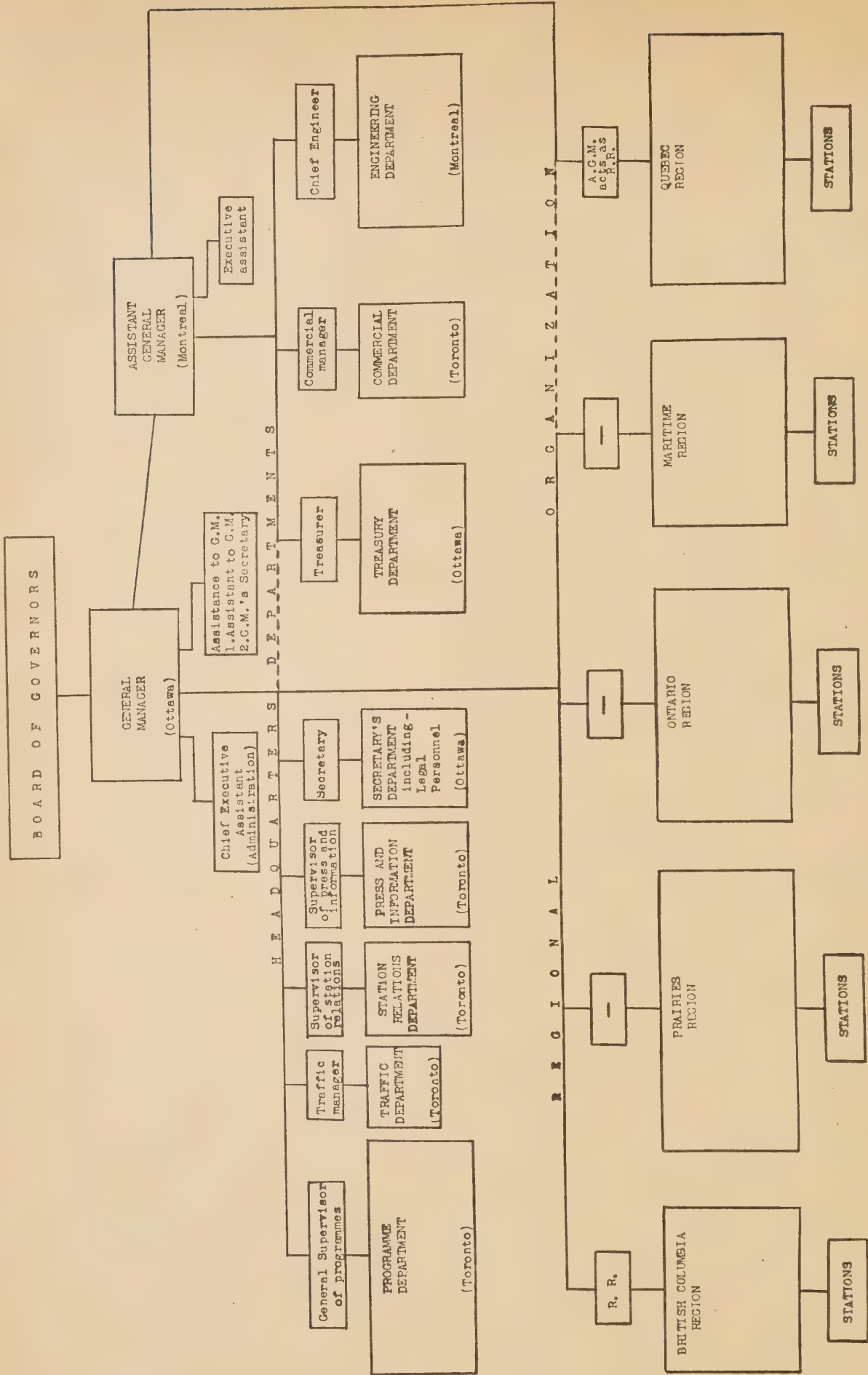
but which is substantially all invested in plant

494,628 42

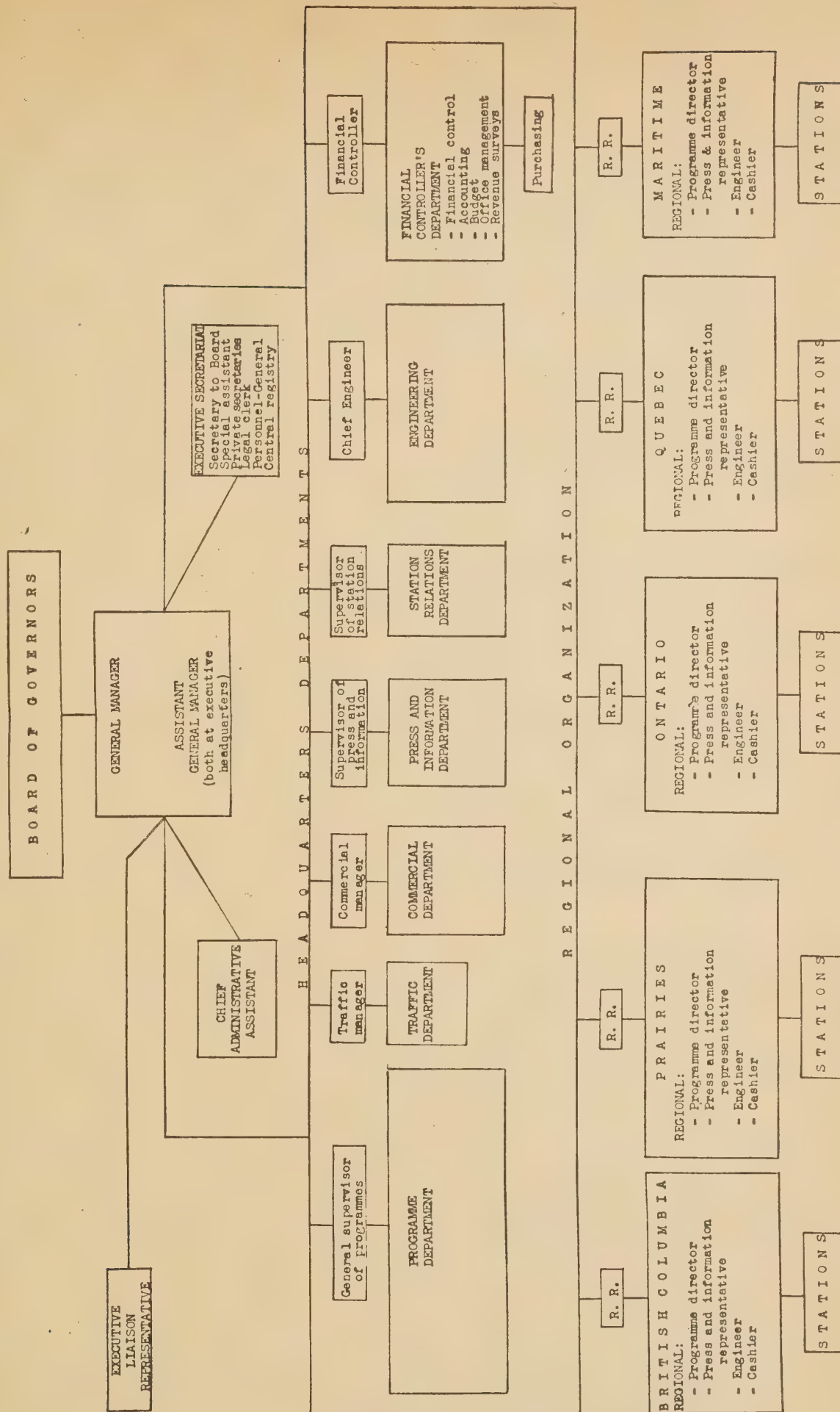
989,005 58

\$1,861,169 31

CANADIAN BROADCASTING CORPORATION
CHART OF PRESENT PLAN OF ADMINISTRATION



CANADIAN BROADCASTING CORPORATION CHART OF SUGGESTED PLAN OF ADMINISTRATION



NOTE: The regional officials (e.g. regional programme director, regional engineer, etc.) report both to the Regional Representative as chief executive of the region and to the heads of their respective departments.

APPENDIX 2

REPORTS ON THE ORGANIZATION AND PERSONNEL OF THE CANADIAN BROADCASTING CORPORATION—PREPARED BY ALAN B. PLAUNT AT THE REQUEST OF THE BOARD OF GOVERNORS IN ACCORDANCE WITH ITS RESOLUTIONS OF JULY 6, 1939

Confidential.

OTTAWA, CANADA,

September 30, 1939.

To: *The Chairman and Members of the Board of Governors of the Canadian Broadcasting Corporation.*

At the Board's last meeting, held in Ottawa on July 6-8, I was formally requested on its behalf to conduct comprehensive surveys of the Corporation's personnel and organization and to report thereon as soon as possible. To assist me in the latter task, I was authorized to obtain the services of Mr. J. C. Thompson, C.A., of the firm of Clarkson, Gordon, Dilworth and Nash, Chartered Accountants, etc.

In fulfilling this task—which has involved considerably more time and effort than was anticipated when I accepted the Board's request—I have visited the headquarters departments at Ottawa, Montreal, and Toronto, the regional offices and studios at Montreal, Toronto, Halifax, Winnipeg and Vancouver, and the studios at Quebec and Ottawa. I have discussed the problems involved with the General Manager, the Assistant General Manager, departmental and regional chiefs and other officials. Also, I have been of what assistance I could to Mr. Thompson in the collection of the material for the report on the Corporation's structural organization and financial administration which he was instructed to make.

The material for the reports was, of course, largely collected during the months of July and August, and hence before Canada's actual involvement in the war. They were, however, written considerably after that time. They attempt to indicate both the changes which are required if the Corporation is to render its maximum service in the war emergency—indeed if it is not to break down due to serious internal deficiencies—and its long-term requirements if it is to survive and develop as an important national institution.

In presenting the reports, I wish to express my appreciation of the generous assistance and collaboration I have received from the Assistant General Manager, heads of departments, regional representatives and acting regional representatives, and all other officials with whom I had occasion to come in contact. The task offered possibilities of embarrassment but the need of assessment and consolidation at this stage of the Corporation's growth seemed to be generally recognized.

The first report, which is a "Survey of the Corporation's Internal Organization", divides into two parts, (1) "Report on the Structural Organization and the Financial Administration of the Canadian Broadcasting Corporation", prepared by Mr. Thompson and dated September 23, 1939, and (2) "Report on the Corporation's Internal Organization", which embodies my own observations.

The second report is entitled "Report on the Corporation's Personnel". The reports are presented together inasmuch as they relate to each other in important particulars.

(A) SURVEY OF THE CORPORATION'S INTERNAL ORGANIZATION

(1) *Report on the Structural Organization and the Financial Administration of the Canadian Broadcasting Corporation*

In accordance with the Board's resolution of July 6, I was authorized to obtain Mr. Thompson's services for the purpose of my survey of the Corporation's organization. His report is, accordingly, addressed to me. For that reason, it is mentioned here and loosely bound in this folder. It may, however, be read separately, as an independent appraisal of the Corporation's structural organization and financial administration.

Mr. Thompson's services were obtained by the formal procedure of requesting Messrs. Clarkson, Gordon, Dilworth and Nash to assist in a survey in the person of Mr. Thompson. In accordance also with formal procedure, the report is submitted in the name of Messrs. Clarkson, Gordon, Dilworth & Nash.

(2) *Report on the Corporation's Internal Organization*

I find myself in general agreement with Mr. Thompson's report. My own observations touch on some of the points made by him and include others somewhat outside the scope of his investigations:—

(i) *Importance of Proper System of Financial Control.*—I wish further to stress the paramount importance of a proper system of financial control, especially for the purpose of at all times ensuring that the maximum amount of the Corporation's budget is made available for program production. Program production, after all, is the prime function of the organization. In this sense all other departments are ancillary to, and subserve this purpose. It is not intended, of course, to minimize the essential importance of adequate distribution or of all the other services necessary to the success of the Corporation's effort. With the expenses of the other departments being more or less fixed, however, there is always the danger of a tendency to sacrifice the program department, whose budget is necessarily flexible. With very large fixed costs and prospect of no great increase over the present modest revenues, it appears all important that the Corporation's financial control never lose sight of its main purpose.

(ii) *Need of more adequate provision for programs.*—Mr. Thompson has referred to the view that, with the exception of current capital commitments and possibly of provision for adequate housing facilities, no new capital commitments should be undertaken until the Corporation is in a position to provide an additional \$500,000 per annum for program purposes. Much as I recognize the need of further improving the Corporation's technical facilities, my investigation has led me fully to support the above view. At the present time the program department is doing its utmost under difficult conditions but it is virtually starved. If the Corporation is to retain and develop the national audience, money must be provided to make possible satisfactory production conditions, new and essential services, and the husbanding of the artistic and cultural resources of the various regions.

(iii) *Program production conditions and requirements.*—There is no doubt that production conditions in the program department are most unsatisfactory. Quite apart from studio facilities, which are of course inadequate, a number of other aspects of production will have to be rectified if improved performance is to result and if this essential branch of the Corporation's activities is to develop in an orderly way.

(a) *Classification and salaries of producers.*—The first and most important aspect concerns the salaries and classification of producers. There are presently three classifications: "junior producers," with a salary range of \$1,700 to \$2,340, "producers" with a salary range of \$2,400 to \$2,880, and "senior producers"

with a salary range of \$3,000 to \$3,600. All the relevant officials with whom I discussed this matter agreed that these classifications were largely meaningless and that on the present basis it was virtually impossible to build up an adequate corps of producers. It is suggested that the present classifications be abolished and that only two classes be substituted: "junior," or "apprentice" producers, with a minimum starting rate of \$2,500, with no top limit indicated. The "junior" or "apprentice" producers would either be persons whose capabilities were restricted to purely routine or minor production work, or persons being given a three months' trial. At the end of this period such apprentices would either be taken on as producers or dropped altogether. In the main producer category would be all those worthy of the name, the gradations of usefulness being indicated by salary variations. While it is suggested that no upper limit be placed, I am informed that certain of the best available Canadian producers could be retained at salaries not exceeding \$5,000 per annum.

With the simple reforms mentioned above, the principal program officials believe that an efficient production staff could be obtained. A very considerably restaffing of the present production departments would be rendered possible. I was informed that at least fifty per cent of the production staff could be advantageously replaced if such conditions were created.

(b) *Restaffing necessary.*—Another important condition of the future effectiveness of the production department will be greater flexibility in the matter of replacements than has hitherto been permitted. I shall deal with the general question in the report of the Corporation's personnel. It is mentioned here because flexibility in program production is absolutely essential for its vitality. According to reliable sources it has been virtually impossible to dismiss anyone in this department, however incompetent. The result is the discouragement of the better creative brains and a tendency on the part of the less competent members of the production staff to resist fresh ideas and abler producers. There is no doubt that an unsatisfactory atmosphere is prevalent.

(c) *Producers wasted as administrators.*—Another criticism is the practice of utilizing producers in administrative posts. I realize that this is to some extent the result of insufficient funds. It is also, apparently, due to the superior conditions of remuneration in administrative posts as compared with production work. Whatever the causes, the result in a number of cases at least has been to lose good producers and get only mediocre administrators. With good producers so difficult to find, this seems a short-sighted policy.

(d) *Classification and salaries of announcers.*—Many of the above observations apply also to the announcing staff. The classifications for this service are also largely without real meaning, and the remuneration unsatisfactory. Announcers are classed as "junior announcers" with a salary range of \$1,200 to \$1,400, "announcers" with a salary range of \$1,500 to \$1,800, "senior announcers" with a salary range of \$1,920 to \$2,400, and "chief announcers" with a salary range of \$2,520 to \$3,000. Announcing is, after all, a highly important aspect of program presentation. A good announcer launches and terminates a given program in an acceptable way. A bad announcer can jeopardize a good program. Announcing requires a cultivated background, intelligence, a voice quality that is rare, and other important qualifications. If the Corporation is to create and retain a body of announcers who can reflect these qualities, it will be necessary to give announcing much more the status of a profession than it now has. Our present announcing staff is on the whole not incompetent but discouragement is general and there is a tendency for announcers to try to get into administrative or even production posts where rewards are better. It is suggested that the present classifications be abolished and that there be only two classes of announcers with a salary range of \$1,200-\$1,500 for apprentices on a three months trial, and \$2,100-\$4,000 for the category of "announcers" proper.

(e) *Flexibility in restaffing needed.*—It is understood that the announcing service also suffers from inflexibility due to the apparent unwillingness of the General Manager to permit necessary replacements. This situation also, of course, tends to discourage the competent members of the announcing staff.

(f) *Greater specialization desirable.*—As mentioned by Mr. Thompson, there is no doubt that a considerably greater degree of specialization, at least in the headquarters program office, has now become urgently necessary. The Corporation cannot expect to get effective direction at headquarters or supervision at the regional production centres in the various fields of music, variety, drama, farm broadcasting, news broadcasting, religious, etc., etc., without at least providing for a competent head office director who can concentrate his activities on a particular field. This is, of course, largely a matter of funds but it also implies effective organization.

(g) *Special problems of the French Network:*—I wish to draw the attention of the Board to the special conditions on the French network. No complaint was made by the program officials in charge of the activities in Montreal and Quebec that the French network did not obtain a fair share of the present program budget. It should never be forgotten, however, that the responsibilities of the French network almost parallel the responsibilities of the national network, inasmuch as everything except music has to be duplicated. At the present time there is about \$600 per week for artists' fees, some of which goes to the production of bilingual national network shows. With this amount the regional program director has to fill forty per cent of the time of the French network. As a result, he is obliged to depend to a disproportionate extent on recordings. This means that the Corporation is severely restricted in the extent to which it can utilize and reflect the resources of the richest cultural area in Canada. It is obvious that, if the Corporation is to fulfil its responsibilities to French, as to English Canada, it will require a greatly augmented program budget.

(h) *Provision for new developments, e.g., educational broadcasting:*—In the same connection there is the financial problem of how we are going to provide for new developments, for example educational broadcasting. It is obvious that we could, if properly organized and financed, play a most useful role in conjunction with the provincial departments of education. Already the departments of education of most of the provinces have indicated their desire to proceed as soon as the Corporation is in a position to co-operate.

(i) *Problems of regional program development:*—There is another problem of program production which it is appropriate to raise at this point inasmuch as it involves the provision of an augmented program budget. I refer to the fact that, with a few exceptions, the privately-owned stations on the network have entirely ceased to act as production centres for existing talent. For the most part, these stations are no longer anything but relay outlets for the Corporation's programs and commercial recordings. Most of them no longer retain producers in any real sense of the word. They do not even require proper studio facilities. From the point of view now under discussion, the Corporation can no longer regard such stations as an initial training ground for local talent. The corollary is that if the Corporation wishes to accept the responsibility of sustaining existent talent and discovering and developing new talent, particularly in the Prairie and Maritime regions, it will have to do the job itself. This will involve employing itinerant producers and, presumably, the provision of studios at strategic centres, all of which will mean the expenditure of very considerable sum in addition to the present budget.

(iv) *Need of re-definition of functions and responsibilities:*—Mr. Thompson has indicated that lack of proper departmentalization and of adequate definition of functions is a characteristic of the present organization. My own survey has

led me to the same conclusion. The main cause is, of course, absence of organizing ability. A particular cause of a great deal of misunderstanding and dissatisfaction is, I am convinced, the use of classifications of a civil service character. I have already discussed the unsuitability of such classifications for the program department and the announcing service. A similar criticism could be applied to classifications utilized in the engineering department, which seldom give any indication of the real function being fulfilled. The same applies to the classifications of clerks, though there is perhaps slightly more justification for this. Generally speaking, such classifications are not suitable to an organization which is more of the character of a large scale business enterprise than of a civil service department.

(v) *Importance of centralizing headquarters departments:*—A proper re-definition of responsibility would, of course, do much to remedy the lack of effective co-ordination which characterizes the organization. The proposal to centralize all headquarters departments in one place would also contribute powerfully to such an end. Personally I am convinced, taking all the main considerations into account, that Montreal is the logical place to achieve such centralization. Toronto must, of course, necessarily remain the largest English-speaking production centre, and Ottawa should continue to be the nominal head office with suitable facilities for executive offices and a board room. It is my considered view that all headquarters departments should be moved to Montreal with the minimum delay. The Corporation has become too large a business to be conducted in any other way. If the suggested co-ordination and consolidation is not carried through in the near future, I would share Mr. Thompson's view that the Corporation will be in danger of a breakdown through internal weakness and hence be unable to make its maximum contribution during the war period. For the same reasons its long-term prospects will be jeopardized.

(vi) *Importance of adequate executive assistance:*—Regarding Mr. Thompson's recommendation for an executive secretariat, it appears to me that the need for such a department to assist the management in the execution of their responsibilities has long been apparent. Such a unit would assist the executive especially in the carrying out of policy, providing among other functions for a secretary to the board. In such a reorganization the position called "chief executive assistant" would be re-named "chief administrative assistant" which would correspond with what was originally conceived to be the function of this position, viz., to act as a sort of clearing house between the management and departments on matters of administrative detail. By a process, partly of devolution, this official has come to assume quasi-managerial authority, acting virtually as an assistant general manager with executive authority over heads of departments. With all deference to the official concerned, whose services to the Corporation are here fully recognized, such a situation is incompatible with good organization and sound management.

(vii) *Salary conditions generally.*—I have already mentioned the situation with respect to producers' and announcers' salaries. In general, the salary position is not satisfactory. The remuneration of certain of the lower categories is, if anything, too low. In the intermediate class it is often too high. In the top grade, salaries appear reasonable except that departmental chiefs with special responsibilities, for example, the heads of the program, and the proposed financial controller's department, should receive a remuneration to accord with their responsibilities. It is recommended that if and when the present classification system is modified or abandoned, consideration be given to a system of remuneration more in accord with actual functions and responsibilities. This will not, according to my calculations, result in a larger total being paid in salaries. It will, however, result in the elimination of legitimate discontent and in the creation of more encouraging working conditions.

(viii) *Normal sources of additional program moneys.*—Prior to the outbreak of war a five-year budget was prepared on the assumptions of a yearly net increase of licence fee revenue of \$150,000, no increase in the net revenue from commercial sources, the construction of the proposed buildings in Montreal and Toronto with repayment on a twenty-year basis, and, apart from capital undertakings already authorized, no further capital extensions. On this basis, after allowing for \$100,000 per annum provision for contingencies, and \$50,000 per annum unallocated, about \$550,000 over and above the present program allocation could be made available by the fiscal year 1944-45, that is, at an annual increase of about \$125,000 per annum.

In other words, by careful management and a reasonably efficient collection of licences, the Corporation could normally look forward to steady, though not spectacular, improvement. War conditions have, of course, intervened which necessarily changes the whole financial situation for an indeterminate length of time. Relevant material has been prepared on other possible sources of revenue which is not now included because the changed conditions make such possibilities impracticable for the present.

(B) REPORT ON THE CORPORATION'S PERSONNEL

The survey of the Corporation's personnel was conducted more or less simultaneously with the organization surveys. Assessments were based on the confidential reports submitted by the heads of the various departments, on consultations with the General Manager, the Assistant General Manager and other relevant officials, on other sources of information, and on my own knowledge. The chief executive assistant was a very real help in sifting the confidential reports.

The assessment of the heads of the departments has been based on the widest possible information.

1. *Conclusions regarding existing personnel:*—

It is not my intention to discuss personalities in this report, which I shall confine to my conclusions on underlying principles, with whatever verbal illustration may be necessary.

The conclusions regarding individual members of the present staff divide themselves into four parts:—

- (a) Positions which would be eliminated if the reorganization scheme is partly or wholly implemented (verbal illustration):
- (b) Positions that should be vacated because of incompetency or other valid reasons and which may or may not need to be refilled (verbal illustration):
- (c) Positions vacated through present occupants being transferred to more suitable positions in the organization (verbal illustration):
- (d) Positions which may later become vacant as a result of further consideration as recommended (verbal illustration).

There is a further and special aspect of my conclusions. This relates to the action which appears to me should be taken as a result of the practices disclosed at Vancouver (verbal illustration).

2. *General Conclusions:*

(i) *Methods of recruitment to date.*—In the almost three years of its existence, the Corporation has developed from a small to a large scale national enterprise. National network broadcasting has increased from an average of six to an average of sixteen hours per day (augmented since the outbreak of war). The volume of its business has increased from around two million a year to around three and a half million a year. The total salary pay-roll has

increased from 135 on November 2, 1936, to 525 on June 30, 1939, an increase of slightly under fourfold. Total annual salaries have increased from \$257,000 on November 2, 1936, to \$836,000 on June 30, 1939, an increase of slightly over threefold. It was inevitable that in this period of rapid expansion it was sometimes difficult to make an exhaustive search for the best candidate available for any given post. Making allowances for this factor, however, it appears that many appointments made or sanctioned by the chief executive have been based on insufficient or irrelevant considerations. Additionally, it cannot appear other than extraordinary that no proper machinery has ever been set up to ensure orderly and efficient recruitment.

(ii) *Periodic Surveys Not Undertaken.*—It would appear only common sense that an organization staffed in this haphazard manner should require a periodical review with necessary replacements. In addition, of course, the Corporation, wisely wishing to avoid any appearance of victimization, took over the whole of the Radio Commission staff. The understanding was that all members of the old Commission staff would be given a fair trial and, if they proved suitable for the somewhat different purposes of the Corporation, retained. But no serious attempt of a periodical review of either the new or the old staff has ever been made. The result is that the majority of the staff, which consists of hard-working, capable, and conscientious people, cannot help being discouraged to find demonstrably incompetent persons retained. Worse than this, the spectacle of persons retained who have been guilty of misconduct, insubordination and even irregularity is not calculated to improve the morale of the organization as a whole.

(iii) *Causes and Results.*—If one looks for the causes of this situation—which I do not wish to exaggerate—one is ultimately obliged to conclude that it lies in the inability of the General Manager to take firm action in this regard. Whatever the reasons, the results are a deteriorating morale and a sense of discouragement in a type of business which requires, above all things, flexibility, initiative, new ideas and vitality.

(iv) *Summary of present situation of various departments.*—To summarize, the position of the various departments is briefly as follows:—

- (a) *The Program Department.* Subject to the above observations, the routine staff of the program department is reasonably efficient. The production staff, however, in my opinion, badly requires overhauling.
- (b) *Engineering Department.* Subject to the above observations, the engineering staff appears to me admirable in every way, well organized, well staffed, well directed. It is, indeed, a monument to the assistant general manager and the chief engineer.
- (c) *The Commercial Department.* Subject to the above observations, the commercial department appears to be doing a satisfactory job.
- (d) *Traffic Department.* The traffic department appears to be efficiently staffed.
- (e) *Station Relations Department.* Subject to the above observations, the same is true of the station relations department.
- (f) *Treasurer's Department.* So far as I am able to judge, the staff of this department is efficient. The treasurer's representative in the five regions is highly spoken of by the regional representative or acting regional representative in each case. I do not, of course, feel myself specially competent to pass on these members of the staff.
- (g) *Press and Information Department.*—In so far as this department has yet been staffed, its personnel appears to be excellent and an example of what competent recruitment could do.

- (v) *Are we over-staffed or under-staffed?*—I now come to the question—are we over-staffed or under-staffed? Having in mind the extent and volume of our operations my conclusion is that we are not greatly over-staffed, though superior organization would doubtless eliminate a considerable number of positions. We are unevenly staffed rather than over-staffed.
- (vi) *Importance of proper method of recruitment:*—In closing, I wish to stress what appears to me a point of real importance, viz: methods of recruitment. I am convinced that the prerogatives with respect to appointments of the chief executive must be preserved if the Corporation is to retain the flexibility it requires. I am equally convinced that some satisfactory method of recruitment must be found. Otherwise the Corporation will always be open to the charge of personal or partisan motives.

(Sgd.) Alan B. Plaunt

Board of Governors,
The Canadian Broadcasting Corporation.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

TUESDAY, JUNE 23, 1942

WITNESS:

Mr. W. A. Rush, Controller of Radio, Department of Transport



MINUTES OF PROCEEDINGS

TUESDAY, June 23, 1942.

The Special Committee on Radio Broadcasting met at 11 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton-East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Graydon, Hanson (*Skeena*), Hansell, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Slaght, Telford, Tripp and Veniot, 16.

In attendance:

From the C.B.C.: Messrs. Murray, Frigon, Manson, Brodie, Bushnell, Findlay, Miss Belcourt, Mr. Bramah and Mr. Baldwin, respectively Chief Accountant and Treasurer.

From the Department of Transport: Messrs. W. A. Caton, Supervisor, J. A. Holmes, Superintendent, W. J. Bain, Senior Radio Engineer and V. A. Irish, Head Clerk.

The Chairman read a communication from Mr. G. T. Purdy, M.P., dated May 8, 1942, in connection with the Radio Act.

Mr. W. A. Rush, Controller of Radio, Department of Transport, was called and examined, being assisted by Messrs. Caton, Holmes, Bain and Irish.

The witness made a statement respecting the collection of revenue for the C.B.C., the issuance of licences to privately-owned broadcasting stations. He also read a note dealing with shortwave broadcasting and the suppression of interference.

Mr. Rush tabled the following which were distributed.

1. Résumé of the functions of the Radio Division of the Department of Transport.
2. The Radio Act, 1938, and the regulations thereunder, as in effect on March 31, 1942.

Witness was asked to supply the Committee with a full statement on the prosecutions and fines imposed in connection with licencing and the number of licences issued for and revenues from battery and electric receiving sets, from 1936 to 1942.

The witness was discharged.

The Committee agreed to call Mr. N. L. Nathanson, Vice-Chairman of the Board of Governors, on Tuesday, June 30, next.

The Committee adjourned until to-morrow Wednesday, June 24, at 10.30 a.m., to hear Mr. H. Baldwin, Treasurer of the C.B.C.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

June 23, 1942.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, gentlemen. We have a quorum and we shall proceed with our business. The first witness this morning according to the arrangement is Mr. Rush, who is the Controller of Radio from the Department of Transport.

Mr. COLDWELL: I thought Mr. Baldwin was coming.

The CHAIRMAN: Mr. Baldwin is here, but we are going to have Mr. Rush first.

Mr. W. A. RUSH called.

The WITNESS: Mr. Chairman, there are four activities of the radio division which I thought the committee might require information on: (1), which I think is the most important, is the collection of revenue for the C.B.C.; (2) licences issued to privately-owned broadcasting stations; (3) shortwave broadcasting; (4) suppression of interference.

With regard to (1) I have a statement here which defines our duties as we see them in connection with the collection of revenue. I have a statement, I do not know whether it is necessary to read it, with reference to disposal of receiving station licence fees, enforcement of the Radio Act, 1938, and regulations made thereunder and issuing and recording of radio licences. Attached to this statement are the following: "Extract from *Canada Gazette*, Amendment to regulations implementing 1939 committee recommendations; Summary of prosecutions of unlicensed receiving set owners by provinces; Total licence issues for dominion, revenue, commissions and costs; Issues of licences by provinces, revenue by provinces; Net revenue after deduction of collection costs; Cost of administration; Department of Transport costs; Costs of mechanization; Issuers, commissions paid; average per licence; classes of issuers; rate of commission; percentage of issuers by classes of issuers; Licence issues without fee; licence issues for sets in automobiles. I do not know if you wish me to read this, Mr. Chairman.

The CHAIRMAN: No. Each member is being supplied with a copy of this. I would invite you, Mr. Rush, to make such comment as you think necessary for the explanation of these memos which have been supplied to the committee. Would that be satisfactory?

The WITNESS: In the first place we carried out the recommendations of the last parliamentary committee. Recommendation 13 was a recommendation in connection with privately-owned broadcasting stations—

By Mr. Graydon:

Q. That was the recommendation that had to do with shortwave also; nothing was done about that.—A. No. Recommendation 14 was implemented by the minister amending regulation 66, (3) (d) of Part II of the radio regulations to provide that "vendors of radio receiving sets shall, at the end of each month,

send to the Controller of Radio, Department of Transport, Ottawa, a statement indicating the name and address of every purchaser of a radio receiving set, during the said month, and the date of such transaction." At the same time, subsection 5 of regulation 66 was amended to provide for the issuance of licences without fee to cover the operation of radio sets of simple design consisting solely of tuned circuits and a crystal rectifier without vacuum tube circuits. It is all explained here.

Then we have revenues since the C.B.C. took over, 1936-37 to date.

By Mr. Hanson:

Q. Has the collection of licence fees been successful up to the present time?—A. I would say generally speaking, sir, it has been successful.

By Mr. Graydon:

Q. Mr. Rush, on the question of radio receiving licences, have you ever tried to get an estimate of the number of actual receiving sets in Canada and compare that with the number of licences that are actually issued each year?—A. Yes, we have endeavoured to do that, Mr. Graydon, but it is quite a difficult job. Our last figures show, according to our calculations, that we were about 89 per cent licensed throughout Canada.

Q. That depends on the basis you use for your estimate?—A. The best basis we can think of. There are certain figures given of the manufacture and sale of radio receiving sets by the Radio Trade Builder. We think they are on the high side, and I feel they do not allow for the sets that have been turned in or taken out of the market. It is a very difficult problem to make a definite statement on.

Q. I do not recall whether there was a question on this problem on the census forms.—A. Yes; unfortunately we have not got the figures yet from the census people. We hoped to have them for this committee, but they are not ready yet.

Q. Before they are ready they will be out of date, that is the difficulty.—A. Oh, I do not know; they may be a little out of date, of course.

Mr. COLDWELL: One of the difficulties rises from the fact you license private receiving stations and there may be three or four—

The WITNESS: That is correct.

Mr. COLDWELL: So the sales would not indicate—

The WITNESS: Quite true. We have tried to make some average allowance for that in getting out our figure of 89 per cent. I am inclined to think that is quite a conservative figure.

By Mr. Claxton:

Q. Do you really mean "conservative figure"?—A. Yes; I think we really are a little bit better licensed than that. If you analyze some of the cities you will find—at least I hope this is true, Mr. Claxton—the figures vary tremendously. Of course, Kelowna has 388 licences per thousand population. That is the highest, and it drops away down to 25 per thousand, I regret to say.

By Mr. Coldwell:

Q. Where is that 25 per thousand?—A. In Mr. Hanson's province, Prince Rupert.

Q. That is why he was so interested.

Mr. HANSON: That is because the licences are not collected, that is all.

By Mr. Graydon:

Q. They do not pay because they cannot hear?—A. That is correct, sir, and we have not got the heart to prosecute them. It is not fair. They are not getting anything.

Q. I see, Mr. Rush, that the percentage of cost of collecting this particular revenue in 1941-42 ran 7.12 per cent. That is the cost of collecting the radio licences?—A. That is for commissions only.

Q. Then your administration runs you to 5.03—A. That is correct, sir, yes.

Q. That makes altogether 12.15 per cent?—A. It runs a little over 12 per cent, yes.

Q. The cost of collection?—A. Yes.

Q. Has the government ever given any consideration to the question of a grant from the government treasury in lieu of radio licence fees?—A. Yes, I think it received some consideration, Mr. Graydon, but there is a feeling that we should reach the saturation point, I think, before that is done; it would be rather unfair to tax the public generally for say 50 per cent or 60 per cent of the public. I think that was the feeling. Now, whether we have reached the saturation point or not I am not prepared to say.

By the Chairman:

Q. Mr. Rush, can you give us some information with reference to the number of prosecutions that there have been throughout the country for not conforming with the procuring of licences, and whether or not there has been any uniformity throughout the country with reference to the penalties imposed?—A. Statistics show the convictions from provinces from 1936-37 to '41-42. In regard to the costs and fines there is no uniformity, but we have no control over that.

Q. By whom is that controlled?—A. By the local or provincial magistrates.

Q. I should like to read to the committee a communication from a member of the house in this connection. It is written as of May 8, 1942, and says:—

Dear Dr. McCann:

It seems to me that the Radio Committee should be in a position to discuss the Radio Act of 1938 and the regulations in connection therewith and make certain recommendations to the house for amendments. I refer particularly to section 10, paragraph (1) (a), dealing with penalties of those convicted of operating a radio without a licence. I would suggest that the elasticity of this Act be taken away from the magistrates and that the fines be defined, say, \$1 for the first offence, \$5 for the second offence, and \$25 for subsequent offences. If the committee considers it has authority to deal with this matter I should be very glad indeed to submit a memo of the many inequalities which have come to my notice during the past few years. In some cases actual hardship has been created by the application of the section as it now stands.

Sincerely yours,

(Sgd.) G. T. Purdy.

That is a point worth considering.—A. Mr. Chairman, I should like to say we certainly try to avoid hardship. If there is any question of a person being on relief or anything of that sort they are not touched, and they are not forced to take a licence out until they are able to do so; and as far as controlling or making the fines uniform is concerned, I am afraid that is out of our hands entirely. In B.C. the fines average \$2.81; Alberta \$3.36; Saskatchewan \$2.28; Manitoba \$4.

By Mr. Graydon:

Q. Would that include costs?—A. Those are fines only; costs vary tremendously. They are especially very high in Quebec. Those are just fines. Ontario \$2.36; province of Quebec \$1.11. The fines are low in Quebec. New Brunswick \$2.23; Nova Scotia \$3.61; Prince Edward Island \$1.82.

By Mrs. Casselman:

Q. Who gets the fine?—A. The department gets the fine.

Q. Federal or Provincial?—A. The federal.

Q. The Department of Transport?—A. Yes.

By the Chairman:

Q. Those fines, as you have indicated, are independent of the costs?—
A. Oh, yes, sir.

Mr. CLAXTON: Have you got the costs?

By the Chairman:

Q. The costs go to the municipality—A. That is correct.

By Mr. Coldwell:

Q. You say the costs in Quebec are very high?—A. Yes.

Q. That would account for the low fines, apparently?—A. I think that is the idea in making the fines low. The fines vary in different sections.

Mr. COLDWELL: I guess the lawyers in Quebec get the costs.

By Mr. Claxton:

Q. Have you the total of the costs?—A. No; they vary so tremendously. We can tell you the amount of the fines, of course.

By Mr. Hanson:

Q. Have you the total of fines?—A. Yes, sir.

Q. The total since 1936-37?—A. We can let you have that information, but I have it for the last year. Last year the total fines were \$12,088.90. If you would like the figures for all those years we can get them, I presume. Do you wish to have them?

Q. Yes; I would like them for all the provinces. I think it would be very interesting to have them for all the provinces each year.—A. From 1936-37 to last year?

Q. Yes.—A. Very good, sir, we will try to get those for you.

By the Chairman:

Q. Is there anything in the statement which has been made that special localities are picked out and prosecutions made there in order to sort of—I would not go so far as to say intimidate the people in a particular section and thereby stimulate the collection of radio licence fees?—A. Oh, I think, Mr. Chairman, that is not quite correct. After all, we are very human, I think. If a place was under-licensed as compared with previous years they may devote a little more time—

Q. I think in the Ottawa valley I can pick out towns where they go every year and make quite a number of prosecutions, and there is no attempt, as far as my own personal information goes or what was told me, to make prosecutions outside the limits of those towns. There are hundreds of thousands of people who maintain radio sets in the country who never pay a licence fee and who are never prosecuted.—A. Well, Mr. Chairman, take Saskatchewan. That will

be fairly well outside of towns in most cases. There they took 64 towns, checked them, and 532 names were submitted. In Alberta—

By Mr. Coldwell:

Q. What year was that?—A. Last year, sir. Alberta 35 towns visited, 270 names submitted, which necessarily means that they are mostly in those rural areas, does it not?

By the Chairman:

Q. Now, come to Ontario.—A. We have 147 towns checked and 3,446 names submitted.

Q. That is three times higher than Quebec, which is 1,163, which bears no relation to population or radio sets or anything else?—A. The population of Ontario is quite considerably higher than Quebec.

Q. Those are the prosecutions?—A. Those are names submitted.

Q. What do you mean "submitted"?—A. Submitted by the inspectors for checking and they check to see if they have a licence.

Q. In Ontario the last figure was 147 towns?—A. That is correct.

Q. 3,446 names submitted?—A. Right.

Q. Are those prosecutions?—A. 3,050 authorized, 2,704 convicted, 23 dismissed, 169 withdrawn, withheld 71, suspended 104, pending 85; fines collected \$6,134.15. The fines in Quebec \$1,024.50, Nova Scotia \$1,170.50, New Brunswick \$321. Prince Edward Island \$333.

Q. What is this?—A. Costs against the department.

By Mr. Hanson:

Q. You have British Columbia there too?—A. British Columbia, yes; 31 towns checked, 443 names submitted, 424 authorized.

By the Chairman:

Q. Just follow that. When you say "towns checked", what about rural areas?—A. That will include rural areas.

Q. Includes the rural areas. You work from the town?—A. Yes. 443 submitted, 424 authorized, 331 convicted.

Mr. COLDWELL: It almost looks as if you went after Saskatchewan, according to the figures you have quoted. There are far more people in Ontario trying to get away with something than in the honest province of Saskatchewan.

The CHAIRMAN: What is the population of Saskatchewan?

Mr. COLDWELL: About 900,000.

The CHAIRMAN: The fines collected and the fees are six times as great in Ontario as they are in Saskatchewan and the population is not six times as great.

Mr. COLDWELL: They have not inquired into Ontario as thoroughly or it would be many times higher.

The CHAIRMAN: That is your idea.

Mr. GRAYDON: It is unusual to hear Mr. Coldwell speak of monopolies at all; but I do not think there is any province that has any particular monopoly on honesty in Canada.

The CHAIRMAN: Not at all.

By the Chairman:

Q. What is the set-up with reference to it? Is there a division in each province or are the provinces further sub-divided?—A. We have inspectors. Do you want to take any particular province?

Q. No. Just give us your general set-up, and the manner in which it is done.—A. We have an office in Halifax; one in Saint John, New Brunswick; one in Quebec City; one at Sherbrooke; one at Montreal, Kingston, Ottawa, North Bay, Toronto, London, Hamilton, Windsor, Kitchener, Port Arthur, Winnipeg, Regina, Saskatoon, Moosejaw, Calgary, Edmonton, Vancouver, Victoria.

Q. All of which would indicate that you have eight or ten in Ontario and you have one in each of the other provinces. Is that right?—A. We have three in Saskatchewan, two in Alberta, three in Quebec.

Q. How many have you in Ontario? You have Ottawa, Kingston, Hamilton, Toronto, Windsor, and so on.

By Mr. Bertrand:

Q. In Ottawa, do they do the work on the other side? Does this office do the work on the side of the river?—A. It looks after it.

Mr. TRIPP: I see in Ontario last year they had 2,704 convictions.

The CHAIRMAN: Sure. You can get as many in any province if you stress it.

Mr. COLDWELL: The chairman does not think they are getting all the convictions in Ontario they ought to.

By the Chairman:

Q. There are eight offices in Ontario. How many are there in Quebec?—A. Three.

Q. There are three in Quebec; three in Saskatchewan—

By Mr. Bertrand:

Q. The one in Ottawa here is doing work on the Quebec side?—A. Just looking after Hull, and that area.

By Mr. Hansell:

Q. Would there be any possibility of us having a copy of the document that the witness is reading from?—A. Yes, certainly.

Q. Could we have a copy of it?—A. Certainly. But Mr. Hanson, you asked me for this since 1936-37. So we can file the complete thing. Will that be all right?

The CHAIRMAN: Yes.

By Mr. Hanson:

Q. You have offices in British Columbia, one in Vancouver and one in Victoria?—A. Yes.

Q. They are close together. You have nothing taking care of the interior and the northern portion?—A. We had one at Kamloops and had to close it down when our vote was reduced.

Q. You have none in the Prince Rupert area?—A. No.

Q. Or in the northern district at all?—A. No. At the outbreak of war our vote was reduced by \$100,000, and we had to close down all our part-time inspectors.

Q. But it has been submitted that if there was an office in that portion of the country, the difference in the licence fees collected would more than offset the small salary, whatever it would be.—A. Unfortunately, the inspector who is appointed has to come out of the parliamentary vote. We cannot get any increase in our ordinary civil vote at all. We have had to reduce it since the war started.

Q. In that area of Prince Rupert, for instance, there are over 2,000 radio set owners who do not pay licence fees. If they paid \$2.50, that would be \$5,000. That is in the city alone. Then outside, in the outlying districts, they are willing to pay providing— —A. Providing they get a program.

Q. Providing they get some reasonable reception, and somebody is in charge whom they can pay. But nobody goes to the post office and pays. I think that consideration should be given to having an office in northern and central British Columbia. The collection of fees would more than offset the expenditure in connection with that.—A. I think the solution to it is that if you give them programs you will sell licences. I understand the C.B.C. are giving consideration to that. I think right away you will find the licences will go up, without any effort at all.

By the Chairman:

Q. Did I understand you to say, Mr. Rush, that the payment of inspectors was contingent upon the vote by the house—A. Certainly, sir.

Q. Do you mean to say that out of the revenues collected from radio licensees you do not consider the engaging and payment of inspectors as part of the current expenses which should be written off against the reception fee money?—A. Well, the minister decides how the cost of collection shall be charged; and we certainly do not charge inspectors' salaries up to the collection of licence fees.

Q. The minister makes that decision?—A. Well—

By Mr. Coldwell:

Q. Do the inspectors do any other work besides this?—A. Yes.

Q. That is the point. They do work for the Department of Transport?—A. Yes. And of course the issuing of the licences is one of our duties,—to see that licences are issued.

Q. The inspectors do that, and do other work for the department?—A. Yes. They have to inspect transmitting stations all over the place.

By Mr. Hanson:

Q. And they look after interference? They check up on interference?—A. That is a separate vote of parliament.

By the Chairman:

Q. In order to be fair about what I was stating a few minutes ago with reference to the relative numbers of prosecutions in Ontario, may I ask if there is a better service supplied by the C.B.C. in Ontario than there is in the other provinces?—A. Oh, I would say so; yes sir.

Q. Then perhaps one might reasonably expect that you would get a greater amount from fees there, in prosecutions.

By Mr. Tripp:

Q. Through what agencies do you sell licences?—A. Through what agencies?

Q. Yes. Who sells licences?—A. Post offices, radio dealers; and there is a supervisor of house to house canvass. The R.C.M.P. sell in some places. I think they are all detailed in the appendix.

By Mr. Coldwell:

Q. To whom do you pay commissions?—A. To the post offices, except the staff post offices. In the case of staff post offices, we pay the general post offices, the postmaster general, 5 cents per licence. In the others, 15 cents per licence.

By Mr. Rennie:

Q. What is the house to house canvasser paid?—A. 25 cents for the supervisor; and if he employs vendors, he keeps 5 cents and gives the vendor 20 cents.

Q. Is that the same in the rural areas as it is in the urban areas?—A. Yes.

By Mr. Coldwell:

Q. What about dealers? Do they get 15 cents?—A. Yes. But they are not allowed to go out and canvass. They sell at their places of business. If you go out and canvass, there is more work involved and we pay a higher commission.

By Mr. Slaght:

Q. Is a supervisor obliged to give 20 cents to the agent?—A. He is supposed to.

Q. What does that mean? Is there a regulation?—A. I beg your pardon?

Q. Is there a regulation to that effect?—A. Yes. It is laid down in the instructions to supervisors, and we think they comply with them.

By Mr. Coldwell:

Q. Who is the supervisor usually?—A. Who is he?

Q. Usually.—A. Well, they try and employ returned soldiers as much as possible.

Q. And then he appoints the vendors?—A. He appoints the vendors. The supervisor is responsible for appointing the vendors. We only deal with the supervisors in selling licence books.

Q. How large a district does the supervisor usually have?—A. Well, there is one in each constituency in Toronto.

By Mrs. Casselman:

Q. Is the supervisor advised to have returned men as his canvassers?—A. Yes, wherever possible.

Q. I thought so.

By Mr. Graydon:

Q. That has been fairly well carried out, has it not?—A. I think so, Mr. Graydon.

Q. I think the large preponderance of vendors and supervisors are returned soldiers.—A. I think so.

By Mr. Coldwell:

Q. I do not know any who are not.—A. There are some cases where perhaps a man without an arm might be engaged who is not a returned soldier. But I think perhaps that is fair. There are not many cases like that.

By Mr. Hanson:

Q. Do I understand you to say that there is one supervisor in each constituency.—A. Well, at least one. Some constituencies are very large and are divided up, and you might have two.

Q. We have not got one in Skeena constituency, I know.—A. Not in Skeena?

Q. No. That is a constituency consisting of 155,000 square miles.

Mr. GRAYDON: You do not need any supervisor if you cannot hear the radio.

Mr. HANSON: If you had a supervisor, he might remedy that difficulty.

Mr. GRAYDON: If that was in his field.

Mr. HANSON: He could at least try.

The WITNESS: A question was asked a short time ago as to who was selling licences, banks have permission, provincial banks, the Bank of Commerce, and the National Bank, Canada post offices, staff post offices, R.C.M.P. and house to house canvass; and then our own inspectors issue licences. We issue a certain number in Ottawa. People send their money in.

By Mr. Coldwell:

Q. What is your definition of a receiving station?—A. We have the private receiving station and the commercial receiving station.

Q. That is what I mean, the private receiving station.—A. We have private and commercial.

Q. Is it in the regulations?—A. Yes. We can let you have a copy. I believe they have been distributed.

Q. I do not recollect the definition.—A. It is: "Private receiving station means any house, room, vehicle, ship, aircraft or other place wherein a radio receiving set intended solely for and capable of receiving broadcasting is located or installed."

Q. In a rooming house each of the roomers would be liable?—A. That is right.

Q. Because the householder had a set that was licensed, that would not relieve the roomers?—A. No. Does that answer your question.

Q. What about the members of the family or the maid? Are they relieved?—A. Yes, or the servants.

Q. That answers the question.

By Mr. Hansell:

Q. In case there are two radios in the one house, I understand they are required to pay two licence fees?

The CHAIRMAN: No.

By Mr. Hansell:

Q. I understand that where there was more than one set in a home, they were required to pay more than one licence fee.—A. No, sir. One licence covers any number of sets.

Q. Except I know a case where the vendor tried to sell two licences.

Mr. COLDWELL: To the same family?

The WITNESS: Within recent times, do you mean? That was a law at one time, I think.

By Mr. Hansell:

Q. About two years ago, I think.—A. That was in effect in 1938 and 1939, I think, Mr. Hansell. Then it was cancelled, so that it may be one of the old cases.

Q. I was told about it a couple of years ago; but it might have been an experience.—A. Yes. I think that is what it would be.

By Mr. Slaght:

Q. Has any consideration been given to the fairness or otherwise of allowing a man to have four radios in his house and charging him the same fee as that charged a poor man who has only one radio in his house?—A. Yes.

Q. Has that been considered from the point of view of discrimination against the poor man?—A. It has been considered, Mr. Slaght, many times. It is a very difficult thing. We did try these multiple set licences and it was too hard to enforce. You cannot enforce the law.

By Mr. Coldwell:

Q. Have you ever considered this, Mr. Rust—to cover Mr. Slaght's point—that the licence fee should be reduced and every radio should pay a licence fee? Suppose the licence fee was reduced to \$1.00 and for each radio you pay \$1.00. If you have three sets, you pay \$3.00.—A. Yes. We have considered that. But Mr. Coldwell, it is so hard to enforce this, and the cost of trying to do something like that outweighs the advantages you might obtain. That is our opinion.

Q. Of course, there is the discrimination that Mr. Slaght points out?—

A. Yes. We realize that.

By Mr. Graydon:

Q. There is also the discrimination so far as the costly set is concerned?—

A. Quite.

Q. As compared with the cheaper set?—A. Yes.

Q. Because there are radio receiving sets which are sold at as high as, I suppose, \$200 and \$300?—A. Yes. Sure there are.

Q. And they pay the same licence fee as a set which cost \$25?—A. Quite right, sir.

Q. The whole question of radio licensees, of course, is one that has been pretty seriously considered by the general public for a number of years?—

A. Yes.

Q. I think one perhaps hesitates to be as aggressive in one's criticism of the radio licence fee in a time of national stress such as this?—A. Yes.

Q. But certainly if this committee were sitting in a peacetime atmosphere, I think that serious consideration ought to be given as to reviewing the whole matter.—A. Yes.

Q. Of radio licence fees. I have felt, and I think it is not without some foundation, that some of the unpopularity and some of the criticism which has been directed against the C.B.C. has come from the fact that a large section of the public have regarded the radio licence fee as a nuisance tax. It costs \$1.00 out of every \$8.00 to collect it. I think that is right. There are a great many people who believe there should not be so many tax collecting bodies.—A. Yes.

Q. And that this duplication, to a large extent, of existing tax structures should be eliminated. The very fact that you have, in evidence this morning, pointed out some of the difficulties in collecting this fee is a further argument, I think, along that line. It can be pointed out that a general tax all over Canada, taken out of the people and put into government coffers, would perhaps mean that many people would pay the radio licence fee indirectly for service which they are not presently getting because they have no radio receiving set. But even in spite of the wartime conditions, I think that some review might be made of the whole question of radio licence fees, largely from these two points of view: one, as to duplication and the additional structure which has been set up in the collection of such small amounts from the citizens which place it in the nuisance category in many respects, and also, I think, from the standpoint of broadcasting and from the standpoint of the whole setup. It seems to me that some consideration might readily be given as to whether or not we should have such a sort of ponderous type of tax-collecting body, for the collection of a sum of \$4,000,000 taxes, when we are actually collecting in taxes perhaps one and a half billion dollars in wartime, or perhaps two billion. I know that there are many sections in Canada who would welcome some change of system where they would not have to be contributing to dominion coffers through so many channels. It is difficult to remember. I think everyone of us has difficulty in remembering when the licence fee is due. I know that I have

and I suppose everyone else has. I know that householders are always a little bit worried because they cannot recall whether they have paid the radio licence fee or whether they have not. When the inspector arrives in town, of course, they begin to become concerned about it, and naturally they remember that they perhaps have not got their licences. I think that in a lot of the cases where people do not pay the radio licence fee it is not just a question of evasion. It is largely a question of thoughtless neglect, because it is just another one of these taxing bodies that I think some consideration might be given to, as to a consolidation, in the interests of the country and efficiency generally and better understanding so far as the public and the radio broadcasting corporation are concerned. Have you given consideration to that?—A. Of course, that is partly a question of government policy, Mr. Graydon. We feel that our costs are very good. I do not know of any business man running on an overhead of 5 per cent who does not think he is not doing too badly. The points you raise are there, of course. It is a question of government policy, whether we vote the money by parliament or collect it through licence fees.

By Mr. Coldwell:

Q. Of course, there is another phase of the matter; take the people in rural areas who are not adjacent to electricity and have to buy batteries; their cost of operation is much greater.—A. We have a cheaper licence fee for them.

Q. Have you? What is it?—A. \$2.00 instead of \$2.50.

Q. Oh yes, 50 cents less; it does not amount to the cost of the batteries.

The CHAIRMAN: Now, appendix 3, Mr. Rush.

Mr. HANSELL: Before we leave that, might I ask this?

The WITNESS: Might I just finish my answer to Mr. Graydon: we send a notice out which is delivered to every licensee on the 1st of April each year reminding him that his licence has expired; and if that has not been renewed by late August another reminder is sent out and notices are broadcast by the C.B.C. regularly. So we give them all the warning we possibly can.

By Mr. Claxton:

Q. In the case of post offices, is any commission paid to them?—A. Oh yes, they get the regular commission of 15 cents in the case of accounting post offices, and 5 cents to the staff offices.

Q. You would not give a list to the local collector of licences who would place the licences in those houses before?—A. Not necessarily, they have that privilege.

Q. And it costs at present \$2.50?—A. The new licence issues every year at that rate.

By Mr. Telford:

Q. Are you having any difficulty in getting supervisors?—A. Not so far, Mr. Telford; but we expect as time goes on they will be hard to get.

By Mr. Coldwell:

Q. I think canvassers are out of the question. Following up the question asked by Mr. Claxton: When you send out these notices is the supervisor, or the vendor, notified that these notices have gone out; is he given a list of the persons who are in arrears so he can perhaps collect?—A. On request we will do that, but we do not make a practice of it. It is quite a heavy job where we run to a million six hundred thousand odd names.

Q. Only you are sending out a card?—A. That goes right out of the office.

Q. I was wondering if in the area to which that card was sent the vendor was notified that these people in that district were in arrears?—A. They are all in arrears on the 1st of April when that card goes out. Everybody knows that. Later on I think it might be some advantage, and we do supply lists of those who have not renewed and that is a much more reduced list, of course.

By Mr. Claxton:

Q. Do you supply a list of those who have not renewed?—A. Not as a regular practice. We send that list out to all our main offices; that is there is one list for Ontario which would go to Toronto, and there is one for Quebec which would go to Montreal, and so on; all through the country. Our inspectors have that list and they could supply the vendors or supervisors with extracts from it. They do that. We do not make a practice if a supervisor writes in and asks for a list we refer him back to the inspector to get that list.

Q. The point of my question is this, that if a holder having a private receiving set takes out a licence from the post office on receipt of notice then he has a licence and later perhaps the vendor will call at the house and ask if he has a licence; it becomes very annoying to the householder.—A. That is something very very hard to avoid, especially in the first few months of the fiscal years, because it takes a certain length of time to get duplicates all back into Ottawa for registration. I do not think we can prevent that. It is annoying, but these vendors are entitled to call and ask to be shown the licences, they are licence inspectors, and they have cards authorizing them to ask for licences. It may be annoying but it is one of those things we cannot help.

By Mr. Coldwell:

Q. What do these vendors make out of this; have you any idea what they make; because I think it is quite true that it is very difficult to get people to devote their time to do this for the small amount that is paid.—A. We can give you a list of the licences sold by any supervisor, would that help you?

Q. That would not help very much. I just wondered if you had any idea of what the individual vendor made in it.

Mr. GRAYDON: They would do better in the larger areas.

The WITNESS: Tremendously. Take a large city like Montreal where you have something like 55 or 60 vendors whereas in a small place they might only have one, so the returns are usually larger in the cities.

By Mr. Coldwell:

Q. I was thinking of a rural area; you would find the vendor living in a little town and he has a large area around which he has to travel and make calls to see people who are living four or five or six miles away to find out if they have bought their licences.—A. I rather missed a point there; if he makes a call—

Q. I say, a man living in a small town in a rural area, there are very few people in the town, and they probably will buy it at the post office anyway; and it does not pay him to make calls around the countryside. I am thinking particularly of Saskatchewan; it does not pay him to make calls to see if people have licences or not; and the amount paid to the vendors in rural areas is relatively very small compared to the amount paid in places like Montreal and Toronto and the like where they do house to house canvassing?—A. Yes, to some extent; as I say, you would have far more vendors in the city of Montreal than you would have in a rural community. I think you are right in that to some extent, you have fifty or sixty vendors in a city like Montreal where you would only have one in one of these small rural areas.

The CHAIRMAN: If you look at appendix 7 you will see that there are more licences sold by post offices than by any other source.

Mr. HANSELL: I think that might be the reason.

The CHAIRMAN: Forty-two per cent sold by post offices whereas the house to house canvassers sold only forty per cent.

Mr. HANSELL: I think that might be the reason. I agree, the vendor in a small town is not going to circularize the country, the rural district, because it just does not pay. They go out into the country and the farmer will say, well, I haven't got the money today call tomorrow or the next day, or I will see you when I am in town, or something of that kind. A man is not going to take his car out and travel throughout the rural districts to collect licence fees at 25 cents each.

Mr. GRAYDON: Not if he has a Class A ration.

By the Chairman:

Q. What is the practice with reference to a man who is selling, does he have to purchase a book of licences and pay for that at the time when he gets it?—A. That is right, he pays in advance.

Q. How many licences in a book?—A. There are ten.

Q. And he may purchase one or any number of books?—A. Yes, one book would cost him \$22.50.

By Mr. Hansell:

Q. If he cannot purchase a book what happens then?—A. He does not get it.

The CHAIRMAN: The thing is that he has got to put up his own cash.

Mr. HANSELL: Yes, he has to put out his own money.

By Mr. Rennie:

Q. I think that is a point that should be considered, where a man has to put up money for these books; that seems to be a grievance in some cases. There should be some other arrangement made in that regard. You take a town like London and it might work all right but you take another town twenty-five miles away from there and there may be possibly no books in that town and he would have to go to London to get the books from there. It seems to me that there should be some system arranged whereby the distance would not be so great that the vendors would have to go to get their books.—A. That is an old game; Mr. Rennie, if they don't happen to be in London they can get a book sent C.O.D. to their post office.

Mr. RENNIE: There are a lot of vendors who do not seem to be able to pay the money at that time.

The CHAIRMAN: It is a question of government policy, I believe.

The WITNESS: We have tried all sorts of things and we have been turned down on them.

By Mr. Slaght:

Q. I suppose if a man has not used his book at the end of the accounting period he can turn it in?—A. Oh, yes, and he gets a refund for those he has not sold.

By Mr. Rennie:

Q. This applies to people who have had a radio licence; what about those who have not had a radio licence, do the inspectors inspect them also?—A. They

do not always call on people who have had a licence the year before, because they make their renewals.

Q. I just question whether that is followed out as a rule.—A. I think I am safe in saying it is, they have instructions to do so.

Q. It seems to me that the line of least resistance is that the inspectors would go where the licences have been issued previously and were being renewed.

By Mr. Slaght:

Q. Is it compulsory on a radio dealer when selling a radio to see that the purchaser gets a licence?—A. Not now, Mr. Slaght; the last committee recommended that be changed and the dealers now supply us with a list of their sales.

By Mr. Hansell:

Q. A list of the people to whom they sell?—A. Yes.

By Mr. Graydon:

Q. Is it not also a regulation that before a repair man, a radio repair man, can repair a radio he must ask for the production of the radio licence?—A. That is quite right, sir; as I recollect it.

The CHAIRMAN: There is no check-up on that, how could you check that?

Mr. GRAYDON: I venture to say that that is one regulation that is not very well carried out.

Mr. RENNIE: I am sure it is not.

Mr. GRAYDON: I can see where it would not be so good for the conscientious repair man if he had a competitor who was not quite so conscientious; the net result is that the system falls down at once.

The CHAIRMAN: He does not want to be put in the position of being a policeman.

Mr. GRAYDON: That is not a very fair position for the radio repair man to be in, he goes in and he has to report on the customer; that is what it amounts to, and he is by way of being a spy on his friend, which is not a very satisfactory basis to work on.

The WITNESS: Then there should be a recommendation of the committee to cut it out. It is a hard thing to enforce.

Mr. HANSELL: Taking the question of the cost of collecting radio licences: I wonder if the department has ever given consideration to this angle of it (I know that a vast majority of the people don't pay income tax) but, what would be the effect of simply including in the income tax form a place or line where a man who when paying his income tax could at the same time pay his radio licence fee. Now, I have another reason for bringing that up: I notice that in appendix II here attention has been called to the prosecutions in Saskatchewan, 471; now, compare that with Manitoba, the prosecutions in Manitoba were 132. Well, Saskatchewan had about three times—more than three times—as many prosecutions as Manitoba. And I fancy it was because the people in Saskatchewan were just not able to afford to buy radio licences. I am not from Saskatchewan but I have talked with some men from there, and they just didn't have a dollar to spare.

The CHAIRMAN: Well then, how did they buy the radio?

Mr. SLAGHT: Actually I think there is something in what Mr. Hansell says. I drew attention to the number of points in Saskatchewan which have been investigated.

Mr. HANSELL: What I am getting at is this: That in your prosecutions you would go just a little bit easier on those that are below the income level where

they have to pay income tax, whereas those who pay income tax would automatically every year pay their radio licence fee through that medium. What would you think of that, or, has the government given any consideration to that at all?

The WITNESS: No, I do not think we have, to that particular point, Mr. Hansell.

Mr. HANSELL: You see, Mr. Graydon here mentioned the numerous channels through which we are called upon to pay for this and for that and for the other thing.

The WITNESS: Yes?

Mr. HANSELL: And I think a lot of these things could be done at the same time when a man pays his income tax.

The WITNESS: That would not meet Mr. Graydon's suggestion; your idea was to do away with it altogether, wasn't it, Mr. Graydon?

Mr. GRAYDON: I certainly would be pressing for that if we were not sitting in so much of an atmosphere of war. One tempers suggestions very much because of the conditions under which we are sitting; but there is certainly a very very good argument against the present system of radio licence fees.

By Mr. Coldwell:

Q. Have you made a particular check on Saskatchewan in the last two or three years? I think some reference was made to the fact that in Saskatchewan in 1937 and 1938 we had a very very bad condition there, and I know that in many cases people were allowed to operate their radios without licence fees at all. I notice that you have over 500 points on check in Saskatchewan.—A. Yes.

Q. That is a larger proportion than anywhere else and I wondered if you were doing that because of the latitude that had been allowed?—A. I do not think you are quite right first of all, Mr. Coldwell, during the very bad years we did not go out; that was in 1938 and 1939.

Mr. COLDWELL: That was appreciated.

The WITNESS: The fact that you have more than other places for that province rather indicates that Saskatchewan was being badly licensed; that is the honest answer to that, I think.

Mr. Hansell, you said that we were riding Saskatchewan people because they hadn't the money; well, we do not, we are very careful and our inspectors are instructed that if anybody is on relief or hard up they are not to be prosecuted.

By Mr. Hansell:

Q. I think we all appreciate that but they don't quite reconcile with the other figures in this appendix: you take for 1941 and 1942 Saskatchewan with 471 prosecutions, Alberta with 225—that is only half the number of prosecutions—and Manitoba with 132 prosecutions.—A. The answer I gave to Mr. Coldwell was that the other people were buying licences and that is why we didn't have to have prosecutions; I think that is a fair answer to that.

By Mrs. Casselman:

Q. Referring to what Mr. Graydon said; I have found that the men who follow selling licences are older men who rather appreciate that little bit of extra income in their pockets; and, too, they do most of this work after hours, going around the little community and visiting the neighbours.—A. There is a feature there.

Q. There is something in that, we sometimes get things so formal there is no chance left for— —A. Yes, it is really part of the job, you know; and, it is a little extra money for most of them.

By Mr. Rennie:

Q. There was a point brought out by Mr. Telford in which I was rather interested, and that is that in the rural municipalities especially during wartime with the rationing of gas and the scarcity of rubber for tires, do you not think it would be advisable if we were to have the assessor of the township collect the radio fee; the assessors visit every farm home?—A. We have tried things like that, Mr. Rennie, and they will not co-operate; they want a certain amount of salary to do that, we are a federal body and we are asking a municipal body to do something for us, we can't expect them to do it.

Mr. RENNIE: There is that difficulty, of course.

Mr. TRIPP: The government asks us sometimes as members to appoint vendors in certain constituencies. One of the complaints that I find when I go and ask any person to take that position is that it is said that there are so many other places where people can get their licences—they can get them from post offices and banks and places of that kind—that they get no revenue from it.

Mr. COLDWELL: I did not know the government asked members to appoint vendors.

The CHAIRMAN: No, they do not.

Mr. HANSELL: They do not ask them, but they are appointed by members, just the same.

The CHAIRMAN: They are not appointed by members.

Mr. HANSELL: Recommended.

The CHAIRMAN: That is different.

Mr. GRAYDON: That is a new angle to me altogether. When did this system of members having the right to recommend radio supervisors come into being?

The CHAIRMAN: I do not think they have the right. My personal experience is I have never been asked to make or made a recommendation with reference to appointing anybody to sell radio licences.

Mr. COLDWELL: Saskatchewan is a little different.

The CHAIRMAN: I think the Legion have been asked in a number of cases to make a recommendation, and I am fairly conversant with conditions in the Ottawa valley. It is mostly returned men who have been recommended by the Legion to carry out this work and they are men who are either partially or totally incapacitated for other types of work.

Mr. GRAYDON: I have never heard the slightest criticism of the work or of the men appointed so far as returned soldiers are concerned. I think they conscientiously try to carry out their job as best they can; but the system under which they work is one that I feel obliged to take objection to.

By the Chairman:

Q. I was going to ask you a question with reference to the issue of licences without fee. For the year 1941-42 there were 6,998 issued without any fee; and, of course, as you know, most of those are to blind persons. There were 5,630 issued to blind persons. The question I want to ask is with reference to hospitals and charitable institutions. For the year 1938-39 there were—1939-40 particularly, 315 institutions who had a licence issued without fee. In 1941-42 there were only 72. Has the policy of the department changed with reference to those institutions?—A. No, sir.

Q. How do you account for the falling off?—A. Quite a number of them may be taken over by the fighting services.

Q. That is in appendix VIII.—A. Taken over by the government since the war.

Q. That would not account for the great number. The number of hospitals within the country is increasing rather than decreasing. Now, may I ask you this question with reference to hospitals getting a licence without a fee? Does that mean any number of receiving sets that will be in that institution or just one from which it is distributed to smaller sets?—A. Any number of sets that are owned by the hospitals themselves.

Q. Does that include nurses' residences?—A. No, sir.

Q. Just the hospital itself?—A. If a nurse has a set of her own or a doctor has a set of his own, they have to pay licences.

Q. What constitutes a hospital set?—A. Sets owned by the hospital and put in the patients' rooms. They may have a master set.

Q. You mean if they rent sets. You go to a large institution and you will pay \$6 or \$8 a day for a room in that institution; you pay extra rent for the telephone and extra for the radio.—A. I am not familiar with that—

By Mr. Graydon:

Q. Do you actually pay extra rent for the radio?

The CHAIRMAN: Yes, if you want it.

Mr. GRAYDON: Is that general?

The CHAIRMAN: In large institutions, it is.

Mr. COLDWELL: That is to pay for the radio.

The CHAIRMAN: You pay a weekly fee for the radio.

Mr. HANSELL: That would be rent for the radio; that would not be a licence.

The CHAIRMAN: The section in the regulations in the Act says:

Special licences for eleemosynary or educational purposes may be granted for private receiving stations to any blind person upon satisfactory evidence being given that such person is blind, or to any hospital, sanitarium or other charitable institution owning or operating a private receiving station for the gratuitous entertainment of patients or inmates, or to any school receiving a federal or provincial government grant owning or operating a private receiving station for educational purposes.

One would naturally expect that there would be an increase in schools and educational institutions. As a matter of fact, there is a slight falling off.

The WITNESS: When I said I thought a lot of the hospitals had been taken over by the fighting services, I think that is a fair statement.

Mr. COLDWELL: Not to that extent.

The WITNESS: Well, I do not know.

By the Chairman:

Q. The difference between 72 and 315?—A. On the other hand, you have got 392 active service forces, that is all canteens and everything. Of course, I cannot argue, I cannot say definitely how many there are.

Q. I would not confound the active service forces with the hospitals.—A. I think it is a fact that they have taken over quite a number of hospitals.

Mr. COLDWELL: Canteens would include the air force, the army and the navy.

The WITNESS: You understand, one licence covers the whole canteen.

Mr. COLDWELL: Yes.

Mr. HANSELL: The total comes to about the same for '41 and '42. 1942 is a little higher, although the hospitals have dropped considerably. On the other hand the active service forces have gone up considerably.

Mr. HANSON: There were 300 more blind persons in 1941-42 than in 1940-41.

Mr. HANSELL: Yes.

Mr. HANSON: That just about equalizes the total.

By Mr. Graydon:

Q. Has any consideration been given to the abolition of a radio licence fee for radio receiving sets owned and operated by the dependents of those on active service?—A. No, sir, not yet.

Q. There will be a fairly good argument, I should think, in favour of that.—A. The C.B.C. would lose some revenue, of course. There may be an argument there.

Mr. HANSON: That would do away with all licences because all the families in Canada to-day would have someone on active service. You would not have any licence fees at all.

By Mr. Claxton:

Q. I think, Mr. Rush, it is fair to say, is it not, the present fee is regarded less as a tax than as a payment for services given by the Canadian Broadcasting Corporation and the right to listen in to all broadcasting stations; so it is not in the position of a tax at all?—A. No, we do not call it a tax, we call it a fee.

Mr. GRAYDON: With great deference to Mr. Claxton and Mr. Rush, it does not make much difference to the man when he pulls out that \$2.50 from his pocket whether you call it a tax or whether you call it by any other name, it is \$2.50, and it is \$2.50 more than he has to pay through other channels.

The WITNESS: On the other hand a lot of people would say what we get for that is well worth it.

Mr. HANSELL: Yes, there is a psychological value there.

Mr. CLAXTON: A psychological value in having the user of radio pay something specifically for what he gets, a relationship between him and the C.B.C. which would not exist if it came out in the form of a tax.

By Mr. Claxton:

Q. May I follow that up for a minute? I should like to ask what happens to the money the department gets. The gross revenue from radio licence fees is \$3,929,199.14 for the year ending March 31, 1942, according to appendix III, and from that is immediately deducted \$279,540.70 for commissions paid, according to appendix VII?—A. Yes.

Q. Leaving a receiving licence revenue of \$3,649,658.44, which with the revenue from commercial broadcasting licence fees of \$33,150 makes a total of \$3,682,808.44, as shown in appendix V. Now that same appendix, Mr. Rush, gives the total cost of administration as \$197,476.52, and the figure of \$3,485,331.92 is the net revenue. Is that last figure the sum that is paid to the Canadian Broadcasting Corporation?—A. Yes, Mr. Claxton, that is right.

Mr. ROSS: What happens to the balance of that? After all the cost of collecting that money is \$550,000.

The WITNESS: Not quite as much as that, is it, \$477,017.22.

Mr. ROSS: It is 15 per cent, is it not? It costs 15 per cent to collect.

The WITNESS: Twelve per cent, a little over 12 per cent, 12.15.

Mr. CLAXTON: The commissions and cost of administration total \$447,017.22; is not that correct?

The CHAIRMAN: Where do you get that?

Mr. CLAXTON: The total commission on appendix VII, and the cost of administration on appendix V.

The WITNESS: That is, commission \$279,540.70.

By Mr. Claxton:

Q. If you total \$279,540.70?—A. Commission and cost of administration.

Q. And the cost of administration \$197,476.52, you get the total deduction from the gross revenue from receiving licences of \$477,017.22?—A. Yes, sir.

Q. And that leaves a balance payable to the Canadian Corporation of \$3,485,331.92?—A. That is correct, sir.

Q. Now, this total cost of administration of \$197,476.52 covers what? I think you said, and correct me if I am wrong, that it covered the administration of the Act and regulations, the suppression of interference?—A. No, sir.

Q. And the issuance of licences?—A. \$168,000 odd is in connection with the sale of receiving licences only, nothing to do with interference or anything else.

Q. I am sorry; \$168,065.12 plus \$29,411.40, making a total of \$197,476.52, has to do only with the issuing of receiving licences?—A. Yes, sir. The \$29,411.40 is arrived at in this way: the Treasury Department make certain charges for their work, and the rentals. I can give you the details of that.

Q. But the charges of the Treasury Department are made against the receipts from licence fees?—A. Yes, sir.

Q. The applicable charges of the treasury?—A. The treasury officers think that is a correct charge to make against the costs of collection.

Q. Do you happen to know if the Treasury Branch follows that practice in connection with any other government service from which a revenue is received?—A. Not that I am aware of. Is the C.B.C. a government service?

Mr. COLDWELL: That is something we should like to find out.

Mr. CLAXTON: Perhaps I was wrong in using the words "government service."

Mr. GRAYDON: I did not hear what you said, Mr. Rush.

The WITNESS: Is the C.B.C. a government service?

Mr. GRAYDON: You are asking the question?

The WITNESS: Yes; Mr. Claxton is talking about government departments.

By Mr. Claxton:

Q. I used the word "service" not "department." I know it is not a department of government. Perhaps I used "government service" incorrectly. There is one thing I find difficult to understand, and that is how this cost for the issue of licences, totalling \$197,476.52 fits into the figures in the estimates for the Department of Transport, shown on page 216 of the estimates for 1942-43. It is shown there "Radio Division, issue of radio receiving licences, a total of \$191,471."—A. That is for the current fiscal year.

Q. Yes; is that the same?—A. What is that, sir?

Q. \$197,476.52.—A. Well, it is comparable to the \$168,000, sir.

Q. Comparable to the \$168,065.12?—A. The treasury have to look after their own appropriation.

Q. Can this figure of \$191,471 be reconciled with the figure of \$168,065.12?—A. That is the amount we have this year for the estimates, \$191,000 in this year's estimates?

Q. Yes.—A. We have allowed for annual increments, a few additional staff, and the cost-of-living bonus.

Q. Then the figure I should mention to you as comparable is the figure shown on the column in the estimates for 1941-42, that is the same year,

\$156,406?—A. You are wondering about the difference between \$156,000 and \$168,000?

Q. \$156,406 shown in the estimates for the year 1941-42. Does that amount cover the same items of expenditure as the sum of \$168,065.12 shown in appendix V?—A. That is correct, sir. The bonus came in after the estimates were voted, if you remember, and that is a charge—

Q. The difference of \$14,000 is not very great.—A. That is what it is.

Q. That is the difference between your estimate in advance of expenditure and the actual expenditure?—A. That is correct; and the bonus was an unforeseen item altogether, of course.

Q. What I should like to know is by what accounting practice is the Department of Transport reimbursed for the—

The CHAIRMAN: The government reimbursed for the advance which they make; is not that what you mean?

Mr. CLAXTON: Yes.

The CHAIRMAN: That would be made up by the collection of fees which are turned in to the government when and as the collection is made.

By Mr. Claxton:

Q. As I understand it, this appendix V shows the cost of administration of the Department of Transport for the year ending March 31, 1942, to the amount of \$168,000, and it is indicated that these expenses are met out of the revenue from radio receiving licence fees. Is not that so?—A. That is correct, sir.

Q. Now in the estimates we have a similar figure of \$156,406 covering the same expenditures and so far as the estimates show they will be payable out of the consolidated revenue fund, will they not?—A. That is correct, sir; the other goes into the common fund.

Q. Yes?—A. All the moneys for receiving licence fees go into the Receiver General and the treasury officer or the finance minister arranges for payment over to the C.B.C. of their proportion less the cost of collection.

By the Chairman:

Q. Is it not a fact that your fees as collected are turned into the treasury and are a reimbursement to the treasury for advances which will be made for administration purposes for the year ahead?—A. That is quite correct, Mr. Chairman.

Q. Now I wish to ask you a question with reference to the fees with respect to licences issued by the minister for the installation and operation of radio stations and private receiving stations. Has there been a reclassification of them within recent years or have they stayed very much the same since they were first inaugurated?—A. Mr. Chairman, on the recommendation of the last parliamentary committee the broadcasting licence fees were all amended; they are detailed there and there is a copy of that amendment attached to this report.

Q. Would you like to express an opinion as to whether or not you think the fees are adequate for the privileges which are given to private broadcasting stations?—A. I think so, sir. It was all discussed between the C.B.C. officials, the private broadcasting licensees and ourselves. That set-up was arrived at as being fair. I think the suggestion at the last committee was that the sum of around \$20,000 or \$25,000 should be taken out of the private licensees.

Q. What is the total amount received yearly from private radio stations?—A. Transmitting stations?

Q. Transmitting stations.—A. \$33,000.

Q. \$33,000 for the whole of Canada?—A. That is right.

Q. How many stations?—A. Eighty-five.

Q. What do they average?—A. They vary from \$50.

Q. Eighty-five into \$33,000.—A. The fee runs from \$50 to \$4,000.

Q. \$4,000 a year?—A. Yes. \$3,000 fee for the Manitoba Telephone station, \$4,000 for CFRB, Toronto. Do you want the small ones?

Q. No. My question was as to the average. The average runs approximately \$400?—A. Yes.

By Mr. Coldwell:

Q. What was the lowest?—A. \$50.

By the Chairman:

Q. And the highest?—A. \$4,000. There is the Windsor station of \$1,000.

Q. And you gave us CFRB.—A. \$4,000.

By Mr. Hansell:

Q. What is the highest power station?—A. In Canada?

Q. Yes.—A. 50 kilowatts.

Q. 50?—A. Yes.

By Mr. Coldwell:

Q. Privately owned?—A. Privately owned?

Mr. HANSELL: Yes.

The WITNESS: 15 kilowatts.

Mr. HANSELL: The schedule is here on pages 17 and 18. That is all I wanted.

By Mr. Coldwell:

Q. Is there a check made by your department of the power of these stations?—A. Yes.

Q. And they are living within the limits set by the corporation, all of them, are they?—A. We are responsible for the technical requirements for all broadcasting stations.

By Mr. Hansell:

Q. There is a question that I should like to ask there. Is it possible that a licence may be issued for a station owned by a person or a company who is not in the broadcasting business?—A. I do not know what you mean by "in the broadcasting business". A newspaper, I suppose, is not a broadcasting business in the true sense.

Q. They could then have a licence for their radio and then rent it out to some other company or person?

Mr. COLDWELL: Sublet it. Is that what you mean?

The WITNESS: Let us see. We issue a licence to, shall we say, the Peterborough newspaper. The licence is in his name. He is the licensee. He is responsible for everything that happens at that station. Whether he gets somebody to come and operate it for him, he is still responsible. Is that the point you had in mind?

By Mr. Hansell:

Q. My point goes further than that. I do not know about this particular station you refer to.—A. I just mentioned that as being a newspaper station.

Q. Yes. But my point goes further than that. It is possible for one to buy a licence and perhaps own a station, for purely investment purposes and

not be interested at all particularly in the broadcasting business?—A. I do not know of a case.

Q. That would be possible, would it not?—A. I do not think so.

Mr. COLDWELL: I think you had better ask Dr. Frigon that question, had you not?

The WITNESS: I think that is our business.

By Mr. Coldwell:

Q. Is that not his department, the technical side?—A. He has nothing to do with the technical side for private stations.

By the Chairman:

Q. How many licences do you issue to any one person or is there a limit?—A. In one place, one only.

Q. Yes, to the same individual?—A. You might have two or three instances put in different names; it might be the same individual that is operating them.

Q. How many licences has Thompson of Timmins?—A. Two in his own name.

Q. And the company is controlled by him.—A. I think he is interested in Peterborough. He is responsible, I think, for the programs.

Q. How many are there in Peterborough? Just the one?—A. One.

Q. I thought that was owned by Davies of Kingston.—A. So it is, Kingston and Peterborough. But I think there is some arrangement for Thompson to help in the operation in some way.

By Mr. Coldwell:

Q. Would that not answer Mr. Hansell's question? Here is a man who operates two stations and controls other stations.—A. Yes.

Q. It is possible for him to sub-let, as it were?—A. Yes. But Mr. Hansell said a licence issued to some one who is not interested in broadcasting.

Mr. HANSELL: When I say "interested", I mean interested only from the standpoint of investment purposes.

The CHAIRMAN: The implication is that he sub-lets his right, which he has procured from the C.B.C., to other individuals for a consideration which is probably far in excess of any licence fee that he has paid.

Mr. HANSELL: Yes.

The CHAIRMAN: That is the point I want to bring out, that a lot of these licence fees paid for small private broadcasting stations are not at all adequate for the amount of money that these private individuals are making out of them.

Mr. COLDWELL: I agree thoroughly with that.

By Mr. Hansell:

Q. Would such a person as Mr. Thompson be responsible for all the stations that he controlled?—A. The licensee is responsible.

By the Chairman:

Q. The licensee is held responsible?—A. Yes.

By Mr. Coldwell:

Q. What services do you render to these transmitting stations?—A. Services?

Q. Yes.—A. We do not render any services. We see that they comply with our regulations. They are inspected periodically, checked.

Q. But the corporation renders services to them, as a corporation?—A. To the private stations?

Q. Yes.—A. I do not know how to express that. I could not say.

By the Chairman:

Q. Is it not true that Thompson has a station at Timmins, one at North Bay, one at Kirkland Lake and an interest in the one at Peterborough?—A. I think that is correct.

Q. What is the policy of the department with reference to the issuing of these licences? Can any individual get all he can pay for or are there certain favoured individuals who are given preference with reference to the securing of licences when they make application for them?—A. Oh, I do not know.

Q. Who determines that?—A. If there is an application for a licence for a new station, it comes before the technical committee which consists of officers of the C.B.C. and the Department of Transport.

Q. Yes?—A. We examine those applications and see if a frequency is available; and then that report goes on to the Board of Governors.

By Mr. Hansell:

Q. A little louder, please.—A. I am sorry. The applications that come in for a new station are dealt with by a committee of the members of the C.B.C. and ourselves, the Department of Transport. We see if there is a frequency available; and if there is no frequency available, they cannot get a licence. But the Board of Governors decide on that. They give the actual decision and recommend to the minister that the licence be not granted, if there is no frequency available.

The CHAIRMAN: It would appear to be manifestly unfair to issue a licence to an individual who has no local interest in the community at all. A man cannot live in half a dozen places; and if he lives in one end of the country and has a licence to broadcast in another community, then it is an entirely monetary interest that he has in that community and it is not a community interest. With regard to licences for these private small stations, my policy would be that they should be given to the people who are interested in that community rather than as a money making business.

Mr. HANSELL: Hear, hear. That is my position exactly.

The WITNESS: If there are applications from that community, Mr. Chairman.

The CHAIRMAN: Oh, there need be no "if" about that. There are lots of people in these private communities who want these allotments made and who cannot get them. But other individuals in other communities can step in and get them. I am speaking of something that I know of personally.

Mr. BERTRAND: You would have to know when and where they got those licences primarily. They might have had those licences a long time ago.

By the Chairman:

Q. That brings up a very interesting point. Can a man get a licence to cover an allotment of a wavelength and retain it without putting in a station within a definite period of time?—A. No sir. He is given nine months.

By Mr. Coldwell:

Q. I was going to ask this. I do not know Mr. Thompson or anything about him. But what is to prevent Mr. Thompson buying up all the stations across Canada? Is there anything?—A. Yes. The minister would have to approve of the change—the transfer of the licences of the stations for one thing.

By Mr. Graydon:

Q. Would the minister have to approve or would it be the Board of Governors?—A. The Board of Governors would recommend to the minister.

Mr. COLDWELL: It seems to me that policy is unsound.

Mr. HANSELL: Yes, it is.

Mr. BERTRAND: Well, we have a gentleman in this country who is a proprietor of forty-seven publications and we are doing nothing about it.

Mr. COLDWELL: Still, this is a new facility.

The CHAIRMAN: It is exactly that duplication that ought to be attempted to be prevented in radio.

Mr. COLDWELL: That is right.

Mr. HANSON: It creates monopoly.

Mr. COLDWELL: A monopoly of public opinion.

Mr. HANSELL: That is what it is; and it is not good.

By Mr. Graydon:

Q. As I understand the procedure, it is this. If I want to get a licence for a radio broadcasting station, I must make my application to the Department of Transport first?—A. That is right.

Q. Then after that application comes in, a subcommittee sits upon the question of frequencies and then their report goes to the Board of Governors. As I understand it, on that subcommittee, before it goes to the Board of Governors, are representatives of the C.B.C. management?—A. Yes.

Q. I think you said that?—A. Yes.

Q. Then the Board of Governors deals with it. Then they make a recommendation and it comes back for final approval or rejection to the Minister of Transport or the appropriate minister in charge. Do I understand it correctly that the Minister of Transport is still in control of that or the Department of Munitions and Supply?—A. Well, Mr. Howe is the Minister of Munitions and Supply.

Q. I see.—A. The air service branch of the Department of Transport comes under Mr. Howe. We come under Mr. Howe.

The CHAIRMAN: The answer to that question is that the Minister of Munitions and Supply, Mr. Howe, still has control of that department of Transport that has to do with radio licences.

The WITNESS: That is right.

By Mr. Coldwell:

Q. Is that the only department in the Department of Transport that he has charge of?—A. No. He has civil aviation, meteorological services and radio—three divisions. They are still under Mr. Howe.

By Mr. Graydon:

Q. I suppose this division of powers is one which has been the outgrowth of development of the enterprise. But it does bear out, I think, what many of us have found throughout the evidence of the committee; that is, that there are far too many people involved and far too many departments involved in all of the subjects that the C.B.C. are interested in. This only bears out again one of the faults that I see in dealing with the whole radio situation. You are in the Department of Transport?—A. That is right.

Q. You are not in the Department of Munitions and Supply?—A. Well, we are under Mr. Howe.

Q. Yes. In other words, I have a good deal of sympathy for some of you men who are operating under so many different supervisions, because I think one of the things we have found in this committee—and I hesitate to express it again—is that it is just the old story of too many bosses and no boss actually having the final say with respect to any of these matters.

Mr. COLDWELL: I could never understand why any section of the C.B.C. remained in the Department of Munitions and Supply.

Mr. BERTRAND: Well, that is temporary.

Mr. COLDWELL: I know.

The CHAIRMAN: It is not in Munitions and Supply; it is in Transport. The minister is the Minister of Transport to the extent that he is minister of civil aviation.

Mr. COLDWELL: And C.B.C.

The CHAIRMAN: Exactly.

Mr. GRAYDON: You have a very clear mind, Mr. Chairman, but it is very difficult for me to follow your ramifications on that point.

The CHAIRMAN: I have a clear idea in my own head of how the thing has been worked out. I can see some justification for it.

Mr. HANSON: It appears to me that the whole thing should be under one minister.

The CHAIRMAN: Not necessarily.

Mr. GRAYDON: It should be under somebody, somewhere.

Mr. HANSON: Yes.

The WITNESS: Broadcasting is only one section of radio. We licensed 2,535 other stations over and above your 85 broadcasting stations, and Mr. Howe is the licensing authority for the whole dominion. That is, without ships.

By the Chairman:

Q. Mr. Rush, you said a few moments ago that the new schedule of fees is as recommended by the radio committee of 1939?—A. Well, I would not like to say that the actual fees are.

Q. Well, they followed on that?—A. That is right.

Q. Would you like to express an opinion whether or not, in view of the increased business and revenue of these private stations, the licensing fees should be further revised?—A. I do not know. This previous committee—I am not sure just when it was—

Q. It is three years ago.—A. They suggested some additional amount of \$20,000 or \$25,000. That is what this was set up on.

Q. You mean the gross revenue?—A. Yes.

Q. And in order to obtain that amount of gross revenue, the fees were so adjusted as to bring it in?—A. That was the idea, and as fairly as possible, depending upon the power of the station and the area or population it covered.

Q. Yes.—A. I do not know if I can comment on that. There is a feeling, I suppose, that the private stations do not get anything and the corporation gets everything. I do not know if that is a good feeling or not. It is there.

By Mr. Coldwell:

Q. You say that the private stations get little perhaps and the corporation gets much. But has an investigation been made by government accountants into the revenues of the private stations?—A. From programs?

Q. No, generally.—A. That would come under the C.B.C. All program matters come under them.

Q. Because apparently the private stations are getting more out of this broadcasting than the government-owned institution.

Mr. BERTRAND: The income tax department knows all about that.

Mr. COLDWELL: Of course, their returns are not available.

Mr. BERTRAND: Not for us.

Mr. HANSELL: Of course, there could be a good many reasons for that. I think the private stations are liable to carry on a good many programs while the C.B.C. are putting over something that is not revenue-producing, such as lectures, universities and so forth. I think they do that as a service to the public.

The CHAIRMAN: Oh, that is not where they get their revenues at all.

Mr. HANSELL: No. I say they do that without revenue.

The CHAIRMAN: Their big revenue comes from their advertising, and that is enormous.

Mr. HANSELL: I say that is where they give service to the public.

Mr. COLDWELL: The C.B.C. is giving the service but the other people are getting the revenue.

The CHAIRMAN: Yes.

Mr. COLDWELL: That is what it amounts to.

Mr. HANSELL: Yes, I agree.

Mr. CLAXTON: I think the general manager is going to give us a statement showing how much private stations contribute to the production of programs.

The WITNESS: Yes, I think that would come under him.

Mr. COLDWELL: I think we should have something showing how much the Dominion of Canada contributes to private stations.

The CHAIRMAN: Is there anything else on which you wish to question Mr. Rush?

By Mr. Claxton:

Q. Did you say that the radio division had to do with the monitoring of all stations in Canada to make sure that they stay on their frequencies and use authorized powers?—A. That is one of our duties, yes.

Q. If you find that a station is not on its frequency what steps are taken?—A. We immediately get in touch with the station.

Q. Does your division get immediately in touch with the station, or do you go to the Canadian Broadcasting Corporation?—A. That is our work, to get right after them.

Q. Do you monitor them also for compliance with the regulations respecting quantity of advertising and content of programs in general?—A. We co-operate with the Canadian Broadcasting Corporation in that work. They sometimes ask our inspectors to do that for them, and we do.

Q. Whose duty is it, as between the C.B.C. and you?—A. If it is programs I think it would be under the C.B.C.; they are responsible for programs; and if it is any technical deficiency that is our work.

Q. Did you have occasion during the last year to call the attention of any station to the fact that they were not on their frequencies?—A. We have, on several occasions. They are immediately rectified. As soon as we draw their attention to it it is immediately corrected.

Q. Have all of them got the technical equipment necessary to keep them on their frequencies?—A. They have, yes. We have to check them up closely. There may be the odd station that has not got the equipment, one or two of them have had a little difficulty in getting the necessary equipment to keep them on the right frequencies on account of the shortage of supplies, but they are very minor cases.

By Mr. Bertrand:

Q. With respect to appendix 4; you have there the licences issued by provinces?—A. Yes.

Q. And then you have the renewals issued by provinces for each year. You do not give us any indication as to whether these radio sets are electrically operated or battery sets and there is a difference in the provinces. If we had that we would know exactly what each province is paying for every set?—A. We could give you those figures if you want them.

Q. It would be a good thing for us to have it, I think. As it is we do not know how many sets are battery sets or electrical and consequently we do not know whether they are paying the \$2.00 or the \$2.50.—A. We can let you have that information over a number of years.

By Mr. Graydon:

Q. We would only have that information for the years during which such a distinction was made.—A. Yes, from 1938-39.

Q. Is the question of interference within your province?—A. Yes.

Q. What is the structure of your set-up with respect to that in the department?—A. I have a statement prepared here on that if you would like to have it.

Q. Well, if it is brief.—A. This is the history of it:—

In 1925 the interference section was started with a small organization consisting of an engineer, two electricians, and one stenographer, and operated with equipment of a limited order, including one interference car. Working with this skeleton organization a system of effectively dealing with interference was developed. The parliamentary vote was increased year by year, reaching \$239,066 in 1939-40, with a staff of 95 full-time employees, 33 part-time employees and 38 cars.

At the outbreak of the war, the parliamentary vote was reduced to \$150,000 necessitating the release of 33 part-time employees and the release or transference to other radio services of 37 full-time employees. At the same time, 2 S.I.I. cars were disposed of and 12 were transferred to special investigations, leaving 24 S.I.I. cars in service.

With this reduced staff, the interference section has been carrying on, giving preference to cases of interference affecting vital war communications. Special attention also is given, whenever possible, to those sources which completely blanketed the radio reception of large numbers of listeners. In order to conserve gasoline and rubber, investigations are curtailed when reports indicate that the interference is not serious or where one or two listeners only, are affected.

Q. Yes; I was wondering what powers your department was clothed with in respect to removing interference throughout the country?—A. We have authority under the C.B.C. Act, section 23, which says: "The Governor in Council may make regulations for everything regulating the use of any machine, apparatus or equipment causing or liable to cause interference with radio reception and to prescribe penalties recoverable on summary conviction for the violation or non-observance of any such regulations, provided, however, that such penalties shall not exceed," etc.

Q. What are the main types of interference that you encountered?—A. I can give you some figures: they included distribution systems, power lines, domestic and commercial apparatus and radio apparatus. Interference on account of distribution systems and power lines in 1927-28 were 4,383 which we checked; in 1929-30 from the same cause we investigated 6,405 complaints; in 1934-35 we investigated 8,050 complaints; and in 1939-40 we investigated 6,500 complaints and in 1940-41 we investigated 2,521.

By Mr. Hanson:

Q. That relates to power lines and distribution systems?—A. Yes, and I may say that the power companies have co-operated very very well.

By Mr. Graydon:

Q. Are there any types of interference that cannot be coped with satisfactorily, Mr. Rush; from a mechanical or technical standpoint?—A. I do not think so, sir; there are some which are very much more difficult than others to suppress, but I do not know that there is any that we cannot suppress. It costs some money to do it in some cases, of course.

By Mr. Tripp:

Q. What about a power line carrying say 30,000 volts along a street in a town; would that interfere with the reception of radio along that street?—A. Well, no; it will interfere if there are not proper protective devices and proper insulators. We find a lot of the trouble is with the insulators on the power lines. The power companies co-operate with us in getting new types of insulators which do away with a lot of that sort of interference.

Q. We find many cases of that kind in Saskatchewan; if they were brought to your attention would you have them looked into?—A. That is our duty. If there was any complaint we would do our best to investigate it. What towns?

Q. Well, Oxbow, for one, and there are a number of others.—A. Would you like to let us have a list of them?

Q. I will give you a list with the full particulars.—A. We will have them investigated.

By Mr. Graydon:

Q. Is there any difference in the type of receiving set in so far as interference is concerned?—A. I suppose the more sensitive the receiver, the more tubes, the more interference you are liable to get when the volume is brought up.

By Mrs. Casselman:

Q. Is it possible for a transmitting set to be set up somewhere, say along the British Columbia coast and perhaps in the hands of the Japanese for instance without you detecting that?—A. Well, Mr. Chairman, it may be possible but we hope it is not; we are doing our best to check up on that.

Q. There is some supervision of that?—A. Oh, yes, very very strict supervision; our work to-day is 80 per cent connected with the war effort. We cannot very well give you the details of that, but it is part of our duties.

Q. It is carried on?—A. Oh, yes.

By Mr. Graydon:

Q. Is it in your department the matter of shortwave is dealt with, the high-power shortwave system?—A. You mean, in the way of licensing, and the technical end of it?

Q. Yes.—A. Yes.

Q. And the question of the installation of the high-powered shortwave system?—A. You mean, what we have been talking about here?

Q. Yes?—A. No, that would not come under us. First of all, it is government policy, whether they are going to have one; but we would have to get the frequencies for them.

Q. It would be a man-sized job now?—A. I don't know, Mr. Graydon; we don't quite agree with Dr. Frigon as to its being a hard job; he may be right.

Mr. COLDWELL: I wonder, will they get an answer as to government policy regarding a shortwave transmitter?

The CHAIRMAN: It will be the answer which you have heard very very often given here; government policy will be announced in due course.

Mr. HANSON: Yes, in due course.

The WITNESS: I was just going to read you a short statement on this short wave frequency situation:

Some aspects of the present and future situation with respect to shortwave broadcasting in Canada.

It has been intimated that unless action is taken in the immediate future to establish a short wave broadcasting station in Canada, this country will be shut out of this field of activity altogether and for all time. Actually, the situation is not as serious as that. A brief and general statement of the factors involved in shortwave transmission and their effect on the question of interference will make this clear. These factors are:—

Geographical location,

Distance,

Time difference, and

Direction of transmission.

These factors are closely inter-related.

It may not be generally understood that shortwave broadcasting stations do not use a single frequency, as is the case with stations operating in the medium wave band, but have assigned to them, several frequencies, a difference frequency being used at different times of day and for different distances.

It does not follow that because certain given frequencies are listed at Berne by two widely separated countries like, for example, Canada and Italy, the stations in these two countries will interfere with each other when transmitting say, to Mexico, because the distances are very different and would probably require the use, at any given time, of widely different frequencies. Again, if at any given time the two stations used the same frequency, they would probably be transmitting in widely diverging directions and to different countries. The case where the same frequency is used at different times obviously presents no problem. Thus, a careful engineering study of the problem when the time comes, should enable us to make a choice of frequencies suitable for each different condition of transmission with a medium of interference.

If after such a study there remained certain possibilities of interference in a number of cases, we still have the avenue of international negotiations whereby these difficulties might be ironed out to the satisfaction of all parties concerned.

One should also bear in mind that, since the outbreak of war it is probable that many stations situated in occupied countries and listed in the Berne list have ceased operation and the extreme congestion of the spectrum is thus perhaps more apparent than real.

By Mr. Bertrand:

Q. You are in favour of the establishment of a shortwave radio station?—

A. Personally, you mean?

Q. Yes?—A. Yes, I think it would be a very nice thing to have. I can see two useful purposes for it at the present time; programs for the troops, and perhaps (this is my own opinion) developing goodwill with South American countries. We have goodwill there now, I think.

Q. But you are of opinion that it would pay for this country to have it?—
A. Oh, no; no, sir; the country would have to pay everything in connection with it.

Q. Oh, yes, but I mean, you think it would perhaps further and develop the goodwill which we now enjoy with South America and assist us in developing that market?—A. This is not official, it is personal; my opinion is only personal, it is not official.

Q. Yes?—A. I think that for propaganda purposes it might be very useful in respect to South American countries.

Mr. GRAYDON: Is there any way we could hurry the government up on this at all, Mr. Chairman?

The CHAIRMAN: I am not prepared to answer that question, I do not know. You heard the statements of Mr. Howe and Mr. Thorson and you can draw your own conclusions.

Mr. ROSS: I judge that there is another side to the balance sheet; there is another side of the picture.

The CHAIRMAN: Unless the committee wishes to interrogate Mr. Rush to-morrow we will adjourn until 10.30 to-morrow morning when our witness will be Mr. Baldwin, the treasurer; Dr. Frigon, will be here also. Mr. Nathanson would like to be called for Tuesday, June 30. Does that meet with the convenience of the committee?

Mr. COLDWELL: It will have to. I am sorry I shall be away next week, but that will not interfere with the work of the committee.

The committee adjourned to meet June 24, at 10.30 o'clock.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

WEDNESDAY, JUNE 24, 1942

WITNESS:

Mr. Harry Baldwin, C.A., Treasurer of the
Canadian Broadcasting Corporation

MINUTES OF PROCEEDINGS

WEDNESDAY, June 24, 1942.

The Special Committee on Radio Broadcasting met at 10.30 o'clock. The Chairman, Dr. McCann, presided.

Members present: Mrs. Casselman (*Edmonton East*), Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Graydon, Hanson (*Skeena*), Isnor, Hansell, McCann, Rennie, Ross (*St. Paul's*), Telford, Tripp and Veniot—15.

In attendance:

From the C.B.C.: Same as appear in the minutes of proceedings of June 23.

From the Department of Transport: Messrs. Rush, Caton and Bain.

Mr. Harry Baldwin, C.A., Treasurer of the C.B.C., was called and examined. He was assisted by Mr. H. Bramah, Chief Accountant of the C.B.C.

The witness commented on a financial summary as from November 2, 1936 to March 31, 1942, namely:

1. Receipts and disbursements.
2. Capital expenditures.
3. Income and expenditures.

Mr. Baldwin was questioned at some considerable length on the C.B.C. annual reports, on the General Manager's expense allowance, on the functions of his department including the regional treasury offices.

A discussion further arose as to whether the C.B.C. was liable to taxation and it was suggested that the Deputy Minister of the Department of Justice should be called for a legal opinion.

The witness retired.

Major Murray was recalled and he tabled a memorandum giving information requested by the Committee. He was allowed to incorporate same in this day's minutes of evidence and to make his comments in relation thereto at a subsequent meeting.

The witness retired.

The Committee adjourned until Thursday, June 25, at 10.30 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

June 24, 1942.

The Special Committee on Radio Broadcasting met this day at 10.30 a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please, gentlemen. We have a quorum and we shall proceed with the business of our meeting. It is proposed to call on Mr. Harry Baldwin, C.A., treasurer of the Canadian Broadcasting Corporation.

Mr. Baldwin, the committee invites you to make a statement with reference to your duties and the manner in which the financial statement is produced. In view of the fact that the committee has not met since 1939, I think it might probably be well if you would review the financial set-up during that time or since you have been in your present position.

Mr. HARRY BALDWIN, C.A., Treasurer, Canadian Broadcasting Corporation, called.

By the Chairman:

Q. Have you been in your present position long?—A. Yes, since the beginning.

Q. Have you a statement to make?—A. Mr. Chairman and gentlemen, the lead given me by the chairman helps me a good deal to ask for a definition as to the dates of the figures that are being considered. I notice on reading the minutes of the meetings to date that there has not been any demarcation; that is to say, they do not say from what date to what date they cover. This rather curious state of affairs has arisen that we are placing on public records the figures for the fiscal year just ended, 31st March, 1942, which have not yet been published and have certainly not been submitted to parliament. It is not for me to say whether that is the wish of the committee or not. That is what has taken place. I suggest that if you require a review of the corporations figures I might deal with them since the beginning and up to the 31st of March, 1942, in very round figures, so that perhaps you could see the woods rather than the trees.

I have a statement in front of me which I should be very glad indeed to submit. The only objection to it is that I am not sure that it would be the wish of the committee to place upon your records any breakdown of expenditures that you have not had before. But I think we might well overcome that if you would let me deal with them, say, in figures of \$100,000. I think perhaps it might not be practicable at this time to put details of our breakdowns on the public records inasmuch as they have not yet been submitted to parliament. But if it is your wish that I give a résumé of the financial aspect of the corporation from the beginning I shall do so. I would like to make quite sure. It is from the 2nd of November, 1936 until the 31st of March, 1942. It might be that you only wish to consider the annual statements for the two years since the last committee; that would be for the two fiscal years ended the 31st of March, 1941. If I am directed on that point I shall go on.

The CHAIRMAN: The annual reports, of which we have three, are for the years ending March 31, 1939, 1940 and 1941; and incorporated in the annual report is the financial statement or balance sheet. Now, I would suggest that in view of the fact that these all have been reviewed since the last parliamentary committee investigating the broadcasting corporation that probably you might give a brief résumé of the financial position of the company reviewing these reports for the three years that have been submitted; and then, if it is the wish of the committee to bring it up to date, to the end of March, 1942, we could have that put on the record also.

By Mr. Graydon:

Q. Were you on the stand in either of the committees in 1938 or 1939?—

A. No, sir.

Q. Was any financial statement rendered to the committee at that time other than what appears in the annual reports?—A. I do not think so.

Mr. GRAYDON: That was my recollection of the two committees before, although I did not sit on them; my recollection was that they did not deal in detail with the finances of the corporation to any extent, they were committees which dealt with special subjects rather than a review of the financial statements.

The WITNESS: I think, Mr. Graydon, that the actual statements certainly were tabled as they have been now; but the point which I think it is necessary to emphasize is that the only published statement where figures have been given to the public or made available to the public are statements up to the 31st of March, 1941, and that you have been dealing here in a good many instances, as I say, with figures up to the 31st of March, 1942. There is nothing wrong with that, and it is quite easy to verify them. It happens that the nature of the business is such that the books actually are not closed, although the figures that have been given I am quite sure are within what the mathematicians call the toleration of error. There is no trouble about that, it is only a matter of principle, of disclosing facts at this time. It would be far handier for me to deal with it to date.

Mr. COLDWELL: I think that would be better, and then we would have everything regarding finances right up to date.

The WITNESS: We could give you any information you like on figures that have been discussed here, even up to the 31st of March and including this year.

Mr. GRAYDON: I do not think there is any particular responsibility involved in this. After all, this is a parliamentary committee with broad terms of reference with respect to this point. I feel sure that no complaint or criticism would be offered with respect to our dealing with anything up to the present time, even though the report had not been made or submitted to parliament.

The CHAIRMAN: What is the usual time for submitting the report to parliament, the annual report?

The WITNESS: Mr. Chairman, it depends a good deal on when parliament is meeting. If it is ready it is at the first session of parliament. I think at one time the report was presented in September and another time it was January.

The CHAIRMAN: Is the report for the year 1942 complete now?

The WITNESS: Practically, I would say it is a matter of a few odd items. It is not printed or anything like that, but the figures have been used, as I say, in these meetings.

Mr. COLDWELL: I notice that the last report was submitted on June 26, 1941; so that last year by this time the whole thing was completed and published. Now, I imagine it is complete enough if we were to ask any questions.

The WITNESS: There is no trouble at all, about submitting the figures to the 31st of March, 1942.

The CHAIRMAN: The report has been finished to date up to the end of March, 1942?

The WITNESS: Yes, I think that might be said.

The CHAIRMAN: In that event I do not see any objection.

The WITNESS: It is a matter of presentation.

The CHAIRMAN: That is a formality.

The WITNESS: May I suggest that I deal in somewhat round figures from the inception of the corporation to date. It would be very difficult for me to go back and break it at the end of a couple of years and then to go on; but I think this will give you the figures. I find figures are good when they can be talked about and not good when they cannot be talked about; so I have reduced the history of the corporation's receipts and disbursements into a few figures which I think gives an interesting and simple picture.

On the 2nd of November, 1936, we took over from the late commission cash and net receivables to the nearest thousand \$194,000. Now in the whole period from then to the 31st of March, 1942, we received in licence fees \$14,812,000; we received from commercial and sundries \$3,981,000; we borrowed from the dominion government \$1,250,000. That is a total of \$20,237,000.

Now, that was used in this way: on operations \$16,251,000; on construction \$2,226,000; on repayment of government loans \$746,000; and at the 31st March, 1942, we had cash net receivables, investments—we have a Victory bond of half a million—or total net liquid assets of \$1,014,000. That accounts for the whole \$20 million which the C.B.C. has administered since its inception.

By Mr. Coldwell:

Q. When was the Victory bond bought?—A. The Victory bond was bought I think in June, 1941.

Q. How many Victory bonds have you?—A. Two of \$250,000 each, making a half a million. We have a long-term one and a short-term one.

Now, in this little summarized statement of receipts and disbursements I have shown how we dealt with some of the income and the borrowings (incidentally, \$2,226,000). This is how it was invested—again in round figures: 50 kilowatt transmitters CBF, Vercheres, \$327,000 (these transmitters are the same, all 50 kilowatt); transmitter at Watrous, CBK, \$317,000.

By the Chairman:

Q. Does that amount include the installation of the complete transmitter?—A. Complete.

Q. Everything that goes along with the transmitter?—A. Yes, the whole thing, buildings, land, machinery, everything; the transmitter set up. The transmitter at Hornby, CBL, \$309,000; the transmitter at Sackville, CBA, \$276,000. That is a total of \$1,229,000. I would point out—by referring to the first statement—that the loans from the dominion government were \$1,250,000. It will be seen that practically all of that went on the main construction program of the corporation.

Q. Would you just interject there on what terms these loans were secured from the government?—A. They were secured from the government repayable in ten years with interest at $3\frac{1}{2}$ per cent per annum.

Q. With the option of repaying any amount which you wish at any time?—A. That has never been said, but we have prepaid the loans very considerably. The first loan, which was for \$500,000, we prepaid, I think five years in advance. We have reduced the \$750,000 loan to \$503,000. Just now, Dr. Frigon is considering the preparation of a new note spreading the balance over the remainder of the original term. That is how we stand on the loan—\$503,000 outstanding which I think has about eight years to run. We can pay it off at the rate of about \$60,000 a year. However, all our loan problems are certainly solved. There is no trouble about them at all.

By Mr. Graydon:

Q. Mr. Baldwin, I see the relationship in the report of the income and expenditures from April 1, 1940, to March 31, 1941. It shows that the licence fees collected or received as income by the corporation amount to \$3,140,000 roughly, as opposed to \$895,000 from commercial broadcasting. Is there any substantial change as shown in the succeeding year's statement—that is, the statement for the year ending March 31, 1942?—A. I can give you that.

By the Chairman:

Q. Had you not better finish this first?—A. As you will, sir.

The CHAIRMAN: Would that not be simpler, Mr. Graydon? Would that be agreeable?

The WITNESS: If it would be agreeable to you, I will revert to any of these figures. I can break them down any way you want them. I have got very little more of this statement.

Mr. GRAYDON: I am sorry to interrupt.

The CHAIRMAN: We will just finish this statement, then.

Mr. GRAYDON: I do not want to interrupt the scheme of things.

The WITNESS: Interrupt as much as you like, but I think perhaps this way would be easier. We got into the question of loans and how they were. I hope I have made it clear to the committee how they stand now and what we have done about them. Any further details are available.

I pointed out that what we borrowed was for the main construction. Major capital expenditures have all been financed entirely in this way. It is only minor construction that has been financed through our savings. I wish to go on with that. I have brought you to the point where I showed that \$1,229,000 had been spent on these four transmitters, which were the main construction program of the corporation and a further \$775,000 was spent on these points: CBM transmitter, Marieville, \$139,000; \$137,000 at Montreal in the Keefer building; \$95,000, studios in Montreal; Toronto studios, \$91,000; CBFW S/W transmitter, Vercheres, \$64,000; Vancouver studios, \$64,000; new administration building, Toronto, \$63,000. We can hardly call it that. There is a vacant lot. I remember \$50,000 was paid for the property. CBV transmitter, Charlesbourg, \$42,000; CBO studios at Ottawa, \$41,000; CBR transmitter at Lulu Island, \$39,000. That is a total of \$775,000. At other locations \$222,000 was spent, which is a small fraction the details of which I have not got with me. But that is the total of the outlay on construction, on capital works generally, \$2,226,000. A breakdown of the operating total, which I said was \$16,251,000, might be useful to you.

By the Chairman:

Q. Had you not better correct that? You mean \$16,373,000.—A. I beg your pardon. I should have said \$16,373,000. You are a better accountant than I am. The expenditures are broken down as follows:

Programs	\$8,089,000
Station network (wire lines)	3,528,000
Engineering	3,142,000
Administration	875,000
Commercial	376,000
Press and information	266,000
Interest on loan	97,000
	<hr/>
	16,373,000
Less inventories	122,000
	<hr/>
	\$16,251,000

That in very round figures is a complete picture of the incomings and outgoings of the corporation in the simplest form. I shall be very glad to answer any questions.

By the Chairman:

Q. With reference to the C.B.C. studio at Ottawa, that is in the Chateau?—A. In the Chateau Laurier, yes.

Q. And for all the re-arrangement, new additions and the like, has this cost of \$41,000 been entirely borne by the broadcasting corporation or has any part of it been borne by the Canadian National Hotel System?—A. The corporation.

Q. Entirely?—A. Entirely.

By Mr. Hanson:

Q. Do you pay an annual rent there?—A. We pay an annual rent.

By Mr. Coldwell:

Q. Have you a long-term lease?—A. There is a considerable lease. I could not tell you what the terms are without looking it up, but I can give you that. Perhaps somebody else might be able to.

DR. FRIGON: Ten years.

By the Chairman:

Q. What is the rental?—A. We have a great many rented quarters across Canada, and I cannot carry them all in my head. Perhaps if we could leave that, I could give it to you later. I am informed it is \$5,400 a year.

Q. For ten years?—A. For ten years, of which, I imagine, three years would be expired.

Mr. COLDWELL: You have a whole floor there, have you not?

The CHAIRMAN: No.

The WITNESS: I am sorry to say I have not been in it.

The CHAIRMAN: It is a corner of the floor.

Mr. COLDWELL: It is quite a large space there.

Mr. HANSELL: It is not nearly the whole floor.

The WITNESS: I am told there are three offices on the seventh floor and the studios above that.

The CHAIRMAN: Now, Mr. Graydon, I think your question would be in order.

By Mr. Graydon:

Q. Perhaps Mr. Baldwin would like me to repeat it. In the annual report for the fiscal year ending March 31, 1941, the licence fees income received by the corporation was \$3,140,000 as compared with commercial broadcasting gross income of \$895,000. I was wondering if there had been any substantial change in the fiscal year ending 1942 in those two figures.—A. The corresponding figures for the year ending 31st March, 1942, are \$3,485,000.

Q. Yes?—A. And the corresponding figures for the commercial, including subsidiary hook-ups and miscellaneous, are \$1,086,000.

Q. You have not got the commercial broadcasting gross separate?—A. I can give you that, certainly. I have not got it in front of me at the moment because I am working merely on tentative figures for this year. We can give you that quite easily.

Q. There is no substantial change, as I see it, in the relationship anyway?—

A. We are \$345,000 better off in our licence fees this year.

Q. Yes, quite.—A. Which is quite a nice little dividend.

By the Chairman:

Q. This statement submitted, Mr. Baldwin—the statement as of the end of March, 1941—is signed by yourself as treasurer, and the general manager; and we have an auditor's certificate. In the previous statements for the years 1940 and 1939 there is no signature by anybody and no certificate by the auditors. Has there been a new practice in that regard and have the books of the corporation been audited by the Auditor General in the previous years?—A. Certainly. There has been no change whatever in the form and method of audit so far as I know, nor was there any particular reason for a change in signatures. Perhaps it should be remembered that I put my statements forward to the executive, my reports to them. They reach printed form, and they get beyond my hands. I do not think there is anything significant at all in the fact that they were not signed. As regards the auditor's certificate, it is my recollection that in Mr. Gonthier's time he made his certificate in his annual report and did not sign the actual document. That is the only difference I know. I consider this is a much simpler and clearer way of doing it, but I know of no difference in practice whatever.

By Mr. Coldwell:

Q. What is your relationship to the corporation and to the Auditor General's department?—A. My relationship to the corporation?

Q. Yes.—A. I am an employee; an non-executive employee.

Q. You are an employee of the corporation?—A. Yes. I have no relationship at all to the Auditor General.

Q. You have no relationship at all to the Auditor General's department?—A. No.

Q. But they audit?—A. In the act, the Auditor General is named auditor.

Q. Yes.—A. Which, as you know, the government has power to do under the Audit Act. He has been named auditor.

Q. Yes.—A. Of the corporation.

Q. What procedure is followed? Would you outline that?—A. Yes.

Q. By the Auditor General?—A. The Auditor General delegates certain audits to certain members of his staff, who in their turn employ members of their staff to go out and make audits on the spot. This is rather a new system and a very good one. In the case of the corporation, Mr. Casselman, who is the official of the audit office charged with the audit of the corporation, delegates Mr. Smith and another gentleman, who are provided with offices in the Victoria building, and given access to all our documents, papers and books. They make what I consider to be a continuous audit. It would be far too voluminous to

attempt to do it at the end of the year, so they just do it from day to day; and they come and go, and we are very glad to see them, and give them any help we can.

By the Chairman:

Q. That is the Auditor General's department?—A. Yes.

Q. Does the corporation maintain an independent audit of its own, a continuous audit?—A. A continuous control. If I may suggest it, one can hardly audit oneself. It is a continuous control. There are all sorts of internal audits. Oh, yes, there is departmental control and audit; I would say it is very, very complete.

By Mr. Graydon:

Q. It is a check rather than an audit?—A. Well, yes. I would consider an audit something done after everything is completed. This is pre-audit.

Q. An audit must be done by some one independent?—A. Yes. But there is control of commitments, of purchases, of releases of money; and all that is done departmentally and I would say very thoroughly.

Q. Mr. Baldwin, in the report of Mr. Thompson he made certain recommendations there relative to your position in the corporation. If I may just turn to that, I should like to ask a question or so of you as to his report.

Mr. COLDWELL: What page is that?

By Mr. Graydon:

Q. Page 27 of the report on the structural organization and the financial administration of the C.B.C. At subsection 6 of his recommendations we find: "That the treasurer be designated as financial controller, with enlarged duties and responsibilities." Were you treasurer at the time that this report was made in September, 1939, Mr. Baldwin?—A. Yes. I am the only treasurer there has been.

Q. Do you know what was in the mind of Mr. Thompson in respect to this recommendation and why that recommendation would be made in the terms in which it was made?—A. Yes, I think so.

Q. Perhaps you would be good enough to give the committee your comments on that?—A. Well, it is a very, very old problem which has existed since there have been executives and boards of directors and boards of governors; that is as to the extent that there should be a direct relationship between boards of governors and the chief financial officer, whatever he may be called. I think that is what Mr. Thompson had in mind, and his recommendation was that there should be a direct relationship between the governors and the chief financial officer.

Q. Do you report to the Board of Governors as treasurer now?—A. No. I report to the executive.

Q. Had the terms of this recommendation to which I have just referred been carried out, would that have meant that you would then have made your report direct to the Board of Governors?—A. Well, as I remember it, he said that the treasurer should be present at all meetings of the board and the finance committee in the event of his recommendations being carried out. To that extent I suppose the treasurer would report to the board.

Q. Is it an actual fact that you did attend any of the meetings of the board of governors as treasurer?—A. No.

Q. In other words, what you said before is actually the fact; and that is that you are a direct employee of the management and responsible to them rather than to the board of governors?—A. Yes.

Q. Under the order in council of April, 1941, the management of the C.B.C. was by law placed in the hands of what is known as an executive committee.

That order in council has never been acted upon, as I understand it. Had that order in council been acted upon would you have been directly under the supervision of that executive committee?—A. No.

Q. You would not?—A. No, sir.

Q. Why do you say that in view of the terms of the order in council which gave the management of the C.B.C. directly into the hands of the executive committee?—A. Inasmuch as all employees would have been, I would have been, but not specifically; there would have been no change in the relationship to the board of governors.

Q. Under which one of the managers of the C.B.C. do you come directly at the moment?—A. Largely under the assistant general manager and comptroller of finance, Dr. Frigon.

Q. Yes.—A. But I have naturally a good deal to do with Mr. Murray and his particular end of the business, and I certainly keep him informed of anything I think he should know.

Q. Under the set-up presently in operation of the C.B.C. Dr. Frigon actually is comptroller of expenditures largely of the corporation?—A. Yes.

Q. And at the same time he is the comptroller of finance?—A. Yes.

Q. It was suggested by one of the members of the committee that perhaps that did not constitute a very effective check and balance system as between the party who was responsible for the spending of the money and the exercise of proper control over it; in other words, the supervisor was the man who had control of the finances and who would also be the man to check upon over-expenditures or improper expenditures; and that that ought to be a different party from the one who is actually spending the money; have you any comment to make upon that?—A. I would repeat what I said before: I think that problem is as old as the question of corporations. I find it hard in my place to elaborate on it now. I think any of the gentlemen present who have had to do with corporations will remember that the question as to whether or not there shall be control of executive by a comptroller comes up frequently, indeed it is heard very definitely. It must be a matter of most serious consideration of the board because they have expressed themselves in no uncertain manner.

Q. Did the finance committee of the C.B.C. ever call you into conference in respect to various matters pertaining to finance?—A. On occasions, rather rare occasions.

Q. Do the meetings of the board of governors ever ask your attendance?—A. Not since the early days of the corporation I should think that would be within the first and second years when Mr. Brockington was chairman. There was a custom then of bringing in the heads of departments to read their reports directly to the board but was discontinued.

By Mr. Coldwell:

Q. Were you called in in connection with the Plaunt report?—A. Might I say this: that at the inception of the report—when Mr. Plaunt was engaging Mr. Thompson and Mr. Ashmore—he brought me into conference with the general manager and the assistant general manager, if I remember correctly, and introduced me and, well, made it quite clear that I was to give them everything they wanted; that was the extent of my being called in.

Q. I mean subsequent to the drafting of the report you were not called in by the governors?—A. No.

By Mr. Claxton:

Q. Either with respect to the Plaunt or the Thompson reports?—A. No, sir.

By Mr. Coldwell:

Q. I was going to ask you a question with regard to the letter (I have asked this question of both the chairman and the general manager) which was written by Mr. Watson Sellar, the Auditor General of Ottawa to the Hon. Mr. Howe. I think perhaps I had better put it on the record again.

Dear Mr. Howe:

The Broadcasting Act places at the command of the broadcasting corporation certain moneys and, within the terms of the Act, the corporation decides on the purposes to which the moneys are to be put.

Section 19 gives to you, as minister, powers with respect to the accounting system, reports, et cetera, and the following section names this office as auditor of the corporation.

Certain points have been brought to my notice, and being in doubt as to the authority to whose notice I should bring them, I address this letter to you.

The Act provides that the general manager is to be appointed by the governor in council. This was done and the salary named by order in council. On examining the records of the corporation, it is observed that an allowance at the rate of \$4,800 "at the base of operations," was authorized by the board, "pending an adjustment in the general manager's salary, as requested by the board." In view of the language used, the question arises as to the administrative power to give such a direction, if the true interpretation to be given to the Act is that payments to the general manager are within the sole discretion of the governor in council.

Associated with this is a second point which arises out of the fact that last spring the Minister of Finance gave to the House of Commons an explanation of the interpretation to be given by the income tax authorities to living allowances paid to various men on war work for the crown. The corporation has left to the general manager the question of deciding what officers may be paid per diem allowance and the amounts which may be claimed, in lieu of actual details, when away from their official stations on official business. The accounts show that \$20 is the amount claimed by the general manager, but this has apparently been selected by himself as being commensurate with his disbursements. The sum involved is not of concern, but it seems to me probable that the decision in such a matter is associated with the powers of the governor in council, or is one which rests on the board.

After you have had an opportunity to peruse the attached memorandum—which was prepared on my instructions to illustrate the problem—might I be informed:—

(a) If you are satisfied that the corporation acted within its powers in granting the \$4,800 annual allowance to the general manager? and

(b) If the establishing of a per diem travel allowance to the general manager is a subject of concern to the governor in council?

Yours faithfully,

WATSON SELLAR,
Auditor General.

Was this letter brought to your attention?—A. Mr. Murray, if I recollect, did show it to me.

Q. Have you any knowledge as to what points were brought to the attention of the Auditor General in connection with this matter?—A. No, but it does not strike me as being an odd letter at all. I think, as he points out, it is a technical matter; that is, was it proper for the board to vote a sum of money by way of remuneration of one kind or another to the general manager without referring to the governor in council? I think that is purely a technical matter. It had evidently not impressed the previous auditor general and the new broom got busy with it. I think it was a matter of technique. I am more familiar with the \$20 a day travelling allowance, because the whole question of travelling allowances I had to do with particularly, and very early in the game. Having experienced a great deal of trouble in other places—it was a matter of hotel bills, tips and what not—we established a rule of operation of I think \$6 and \$8 and \$10 a day, according to the salary. This was to be an inclusive per diem allowance. When it came to the general manager I think probably we discussed what it might be and I probably suggested that about \$20 would be quite fair. I remember going to some trouble about writing to people in similar positions trying to find out what they got, and I think I probably wrote the Royal Trust and one or two other places, and if any one is to blame for suggesting that figure, I am. I may also have been to blame for not having foreseen what the Auditor General did not foresee for a couple of years; that possibly there might have been a technical objection to it; but that is all, there is no mystery about it.

Q. This letter refers especially to the general manager?—A. Yes, certainly.

Q. There was also reference to setting a per diem allowance for other officials?—A. It does not object to it.

Q. And this refers specifically to the general manager but the inference is that there may have been other allowances made to other officers, other than the general manager, that might have been of the same sort?—A. That has never struck me that way at all. We have always been afraid of what Mr. Sellars speaks about there, the difficulty that the income tax might destroy what has proved to be a very economical and satisfactory system of controlling travelling expenses. But I am very happy to say that as recently as a couple of months ago I got a firm letter from Mr. Elliott saying that that was quite proper and they would consider it an advance on account of expenditures and it would not have to be reported as income; so we are perfectly firm on that. But I think that is a point quite apart from the propriety of the board of governors voting money to the general manager; which, as I say, is a technical point about which I was not consulted and I do not think I would have been qualified to give an opinion.

Q. But you did not see this letter officially then?—A. I think I was in Mr. Murray's room and saw it, and he probably said "What do you think about that"; and I said, "That is very technical"—if I remember correctly. I certainly was not consulted officially, was not brought before any board or asked any opinion about it.

Q. As I recollect Mr. Murray's evidence he was not very clear about this letter either, and Mr. Morin had apparently no recollection of it; but it was discussed?—A. Well, I could not tell you other than that I am quite sure I have seen it; or, if not seen it, been spoken to about it; and I think the general manager may have perhaps mentioned it, he might very well have said, "Here is a letter, Baldwin, what do you think about it"; that may have occurred, I am not quite sure. As I said, it is a technical matter.

By Mr. Graydon:

Q. Did you discuss the matter personally with the Auditor General?—A. No.

Q. Has the point which was raised by him been decided now?—A. I understand it has, but more from what I have heard here.

Q. What is the position, do you know?—A. I understand the position to be, that it was not perhaps a good thing to have done, and that as far as travelling expenses are concerned instead of getting a convenient \$20 a day and adjusting his accommodation accordingly he puts in bills for it—it is the general manager I am speaking about. Now, referring to the \$4,800, as you know, it is on the record, it was reduced to \$3,000. It has never been explained to me why \$3,000 was all right and \$4,800 was not, but that is the case.

By Mr. Coldwell:

Q. I was puzzled about this because subsequently on May 15, 1941, in response to a question which I put on the order paper some replies were given by the minister. Now, I shall only read the replies that relate directly to the matter before us:—

8. What was the salary paid to:—

(a) the general manager;

(b) the assistant general manager of the C.B.C. last year?

And the answer was:—

(a) \$13,000.

(b) \$12,000.

9. Has any change in their salaries been made recently or is one contemplated? If so, what is the nature of such change?

And the answer was:—

None.

10. Were either or both of these officials entitled to a stipulated expense allowance last year, in addition to salary? If so, how much for each allowance?

And the answer was:—

Allowance of \$4,800 to general manager; \$2,000 to assistant general manager; allowances to cover expenses at base of operations.

11. To what extent were these expense allowances used?

Answer:—

Fully.

12. Were both or either exceeded? If so, by how much?

Answer:—

No. In addition to regular allowance, general manager received \$5,697.90 to cover expenses incurred while absent from base of operations. For similar expenditures, the assistant general manager got \$24.60.

13. Was the attention of the Minister of Munitions and Supply or the Deputy Minister of Transport, or any other officials of either department drawn by the Auditor General or any other officer of his department or by any officer of the C.B.C. to any expense accounts having been overdrawn?

And the answer to question No. 13 was:—

Yes.

14. If so, what action was taken or is to be taken in this respect?

And the answer was:—

Matters referred to in the letter from the Auditor General have been adjusted to the satisfaction of all concerned.

Q. Now, can you tell me to what extent the expense accounts had been overdrawn?—A. Frankly, I would say they have not been overdrawn, and that is something that has never come to my attention before.

Mr. COLDWELL: This is from a return tabled in the house by the minister.

Mr. CLAXTON: In reading your answer to question 12 you gave the answer "no" just now; do you mean "no"?

Mr. COLDWELL: Well, it is here, "no"; "Were both or either exceeded? If so, by how much?" Answer: "No".

Mr. CLAXTON: At page 550 of the record the answer is given "yes" when you were putting the question before; that is incorrect?

Mr. COLDWELL: No—the answer to the next one is "Yes".

Mr. CLAXTON: At page 550 it is given as "yes". Apparently there should be a correction there.

Mr. COLDWELL: Oh, I hadn't noticed that.

The WITNESS: I think perhaps I can clear that up: at the time it was proposed to pay this \$4,800 odd, it was advanced from time to time as required; and to be strictly accurate there might have been perhaps a few hundred dollars over and above that at the date. Instead of getting \$400 the general manager might have got \$500; but I am quite sure it would have all been adjusted within the month; but the question of overdraft, to my mind, is not clear in any way. I am sorry I am not more familiar with that particular point, but that is the only thing that could have happened with reference to the \$400 a month. It was never overdrawn. I am quite sure of that.

By the Chairman:

Q. It was never specifically stated that it was to be \$400 a month, it was a fixed yearly rate?—A. It was a yearly rate. We were asked for it in odd amounts, it might have been \$700 one time and \$300 another; as long as it did not exceed the \$4,800 it would have been quite proper. As of a particular date on the yearly basis it might have appeared overdrawn.

By Mr. Coldwell:

Q. In the preparation of these returns that I made to the house through the minister which involve the accounts of the corporation is the treasurer not consulted?—A. I should think generally speaking he was. I do not have any direct contact with these things. If I am asked an answer in terms, I give it to the executive.

Q. But according to these figures, of course, the account was considerably overdrawn; over and above the regular allowance the general manager received \$5,697.90 to cover expenses incurred while absent from his base of operation.—A. Oh, I am sorry to say that that is not included with it.

Q. Why not?—A. He got \$4,800 a year at base of operation, and this is a separate matter entirely, which has been given again and again in the evidence.

Q. How is that arrived at, that \$5,697.90?—A. Those are his expenses which he has placed on the records here incurred in respect to matters away from base.

By the Chairman:

Q. For which vouchers have been produced?—A. For which vouchers have been produced and the vouchers are there. I thought I would like to make that point clear because it is all in the record. The \$4,800 was paid and paid regularly here for as I understand it taking care of particular expenses at the base. I think the minutes read in one place "here", and in another place it says, "at base".

By Mr. Coldwell:

Q. Yes, that is right. Now when Mr. Murray had occasion to make extraordinary expenses away from base, out of town, he put in a voucher for those. That is what I refer to there, but there could be in no sense an overdrawal, there was not any.

By Mr. Bertrand:

Q. Does not at base mean in Ottawa?—A. Presumably it meant in Ottawa.

Q. If he was in Montreal or Toronto that was different?—A. Yes. He explained exactly what happened. Mr. Murray did travel a great deal more in those days than he does now; he would leave town in a hurry and ask for some money. I think we even opened up a separate personal bank account and we would deposit whatever he thought he would need during that trip, which may be \$200, \$300, \$400 or \$500. He then on his return, as soon as he could get around to it or his secretary could get around to it, would put in his vouchers for those expenditures. Now, that has nothing whatever to do with the other expenses and there was never any question about overdrawing.

By Mr. Coldwell:

Q. The next question is: "Was the attention of the Minister of Munitions and Supply or the Deputy Minister of Transport, or any other officials of either department drawn by the Auditor General, or any other officer of his department or by any officer of the C.B.C., to any expense accounts having been overdrawn?" And the answer is, "Yes".—A. Well, frankly, the explanation that I gave before is the only one that I can give, and that is the only expense account which might have been overdrawn, if you could call it such, was \$4,800 a year; and it is just conceivable that on some specific date he might have got more than the average of \$400 a month, and therefore you might say that was overdrawn; but it is in terms of language impossible to say that anything else was overdrawn because there is no limit to it.

Q. Now, Mr. Baldwin, you submit, of course, all the accounts to the officers of the Auditor General?—A. Yes.

Q. Have you any recollection—let me put it this way—have any expense accounts, not only this one, any expense accounts ever been returned for explanation, we will say?—A. By the Auditor General?

Q. By the Auditor General's office.—A. In this period, no.

Q. Not in 1940 or 1941?—A. I have not any recollection.

Q. You have no recollection?—A. No.

The CHAIRMAN: Is there a possibility—

Mr. COLDWELL: I cannot understand the answer.

By the Chairman:

Q. Perhaps I might have a reasonable explanation for it. He got a base allowance of \$4,800. That is right. Then his other expenses were paid upon vouchers being produced. Is there a likelihood that the \$4,800 in one year was overdrawn and the amount over \$4,800 was charged to this other account?—A. Oh, no, no, none whatever. They are quite separate problems.

Mr. COLDWELL: Where did the minister get the information on which he based the answer, "Yes"?

The CHAIRMAN: There is some explanation for it or the answer would not be yes.

Mr. COLDWELL: I would think so. That is a strange thing. The treasurer knows nothing about it nor does the general manager.

The WITNESS: If I may say so, it cannot be very significant or I certainly would have noticed it; and the only possible way, the only item it could refer to could be the \$4,800, because as I say it was impossible to overdraw something upon which there was no limit. Now it is conceivable that the \$4,800 may have been overdrawn—would you mind telling me the date on which it was said to be overdrawn?

Mr. COLDWELL: The date is not given.

The WITNESS: It is quite possible that for a week or some short period that \$4,800 may have been overdrawn. I have no recollection of it ever being brought to my attention, and it would be the veriest routine.

Mr. BERTRAND: The answer to No. 12 is "No".

Mr. COLDWELL: That is right.

Mr. BERTRAND: My friend said here at page 550 it is "Yes", and I do not understand how the answer could be no at 12 and yes at 13.

Mr. COLDWELL: I do not either.

Mr. HANSELL: I must say, Mr. Chairman, I cannot see anything particularly significant even though it was established that the account was overdrawn. It might be so in the ordinary course of events. I do not see there is any particular point in that.

Mr. COLDWELL: One of the particular points—

Mr. HANSELL: If it was overdrawn to the extent of one million dollars there may be a point in it.

Mr. COLDWELL: One of the particular points is this: I am anxious to discover whether or not we can rely on the returns tabled in the house.

Mr. HANSELL: That is the point.

Mr. BERTRAND: I see what you want. There is apparently a discrepancy in answers 12 and 13.

The CHAIRMAN: A contradiction.

Mr. COLDWELL: I was not able to understand the contradiction when I discovered it here.

By the Chairman:

Q. With reference to expense accounts away from the base, was there at any time a limit placed upon the expenditures of the general manager?—
A. No.

Q. He had a free hand in that regard?—A. As far as I know.

By Mr. Graydon:

Q. I understand he got \$20 a day.—A. These were for actual expenses, hotel expenses, rooms, meals, and that sort of thing.

The CHAIRMAN: If you will recall it, Major Murray explained in his evidence that the major item of this \$5,900 in that year covered a trip to the Old Country, which was in the nature of \$2,400 or \$2,500

By Mr. Claxton:

Q. Mr. Baldwin, Major Murray in his evidence said for the year 1937-38 he expended \$1,600 on travelling expenses, for 1938-39, \$2,956.87; for the year 1939-40, \$5,692.56, of which \$2,219.17 was on his trip to England, and in 1940-41, \$3,990.80. Do those amounts include \$10 per diem allowed him up to the 1st of April, '39 and the \$20 per diem allowed him from the 1st of April, '39, until 31st March, '41?—A. Yes, sir.

By Mr. Bertrand:

Q. Does Major Murray pay for his fare on the railways or has he a pass?—

A. The corporation pays for it; he has no pass.

By Mr. Claxton:

Q. You are quite clear that the amounts I have mentioned, which were given by Major Murray, include the per diem of \$10 and \$20 for the respective periods?—A. Yes.

Q. Was the per diem of \$20 given retroactively when it was raised from \$10 to \$20, which, I think, was in July '39; was it applied retroactively to the 1st of April, '39?—A. Frankly, I cannot remember.

Q. I think Major Murray said it was.—A. If it was, then it was.

Q. I wondered how that application would be made; do you remember making it?—A. Frankly I do not remember making it, but I can tell you this, the machinery for arriving at these figures here was this: as I said before, on leaving town Major Murray would get advances in round sums of money, or he might be away and he might send in a telegram for it. Then he might return to town and go away again. As soon as his secretary or I or the two of us could get him down to it he would get around to the question of his travelling expenses, and we would prepare the number of days he was away and multiply it by \$20 and ask him if there was anything else. And if there was anything else he would put in a voucher for it. Now, we did not always get it immediately and there were occasions where it might have been some weeks. But that is the principle on which it was done. There was nothing serious about—

By Mr. Isnor:

Q. Why was a voucher necessary if he was only allowed \$20 a day?—

A. He would have to tell us how many days he was away and entitled to \$20 a day and as far as it was possible I would check those days as far as I knew anything about his movements with his secretary, and sometimes we would have to say, "Now, surely, that was not right," and we would change them around until we were sure they were right. I think that happens with everybody.

Q. You said if he had any additional expenditures he would then produce vouchers.—A. He would then produce vouchers.

Q. What would the additional be for?—A. The additional expenses would be for entertainment, special work, all put in the record here yesterday.

Q. That would come under a separate heading?—A. Different allowances away from base, in the figures from which Mr. Claxton was quoting just a moment ago.

By the Chairman:

Q. Your answer suggests that there was some difficulty in getting the vouchers, does it not?—A. There was no difficulty in getting vouchers; it was the usual difficulty that anybody who has had to do with busy men knows about. It was the usual difficulty to get him free from his other duties in order to make up the expense account. I do not hold that against Mr. Murray.

Q. If there was no difficulty then there was delay?—A. There may have been a delay of a week or two. He may have had to go out of town the next day.

Q. Were there occasions on which you never got them?—A. Never.

Mr. HANSELL: I think that may happen in the course of events with anybody. Anyone who has run an election campaign and attempted to get vouchers for everything knows there has often been a great delay and difficulty in getting them.

Mr. ISNOR: You have the same difficulty almost every time you send a buyer to the market.

Mr. HANSELL: Mr. Chairman, may I refer back to the letter that was read a little while ago from Mr. Watson Sellar, Auditor General. Mr. Sellar said there was a technical point that he was raising and he was asking for advice or information from Mr. Howe. Mr. Baldwin said he saw this letter in Mr. Murray's office. Evidently the letter was not confidential in any way. I should like to ask if Mr. Baldwin saw Mr. Howe's reply.

The WITNESS: As far as I can remember, no.

Mr. HANSELL: Now, Mr. Coldwell has submitted it, evidently from a return. Is there a record anywhere, Mr. Chairman, may I ask, of Mr. Howe's reply?

The WITNESS: Are you asking me?

Mr. HANSELL: I am asking the chairman as I presume he would know if the letter has been submitted.

The CHAIRMAN: That is a matter that was brought up before and my recollection is that the answer was that there was no reply in writing, no written reply.

Mr. COLDWELL: I know of no written reply.

Mr. HANSELL: It seems to me if we must get the answer to the technical issue involved that we should get the answer from Mr. Howe. Mr. Howe may be perfectly satisfied; if he is, then, I do not see any point in bothering about it. To my mind it is a purely technical thing and I am afraid there may be read into the evidence a good deal of inference that is not warranted. I do not like evidence submitted by way of inference; I never did like it. I do not think it is evidence.

The CHAIRMAN: It can be evaluated as such. It is common practice to introduce it by any method which you wish, but it all depends on the appraisal of it.

Mr. HANSELL: Yes.

Mr. COLDWELL: I should like to say this, Mr. Chairman: I think Mr. Hansell probably is taking a wrong view. I have been frankly puzzled over this letter in this return. What I am trying to do is to get to the bottom of it; and if any inference is taken from that I cannot help that. I am drawing no inference from it except I really am puzzled and I am puzzled still. With regard to the answer to question 14 Mr. Howe can probably not answer that. I do not know whether there was any adjustment or not. "If so, what action was taken or is to be taken in this respect—" that is in regard to the overdrawing of expense accounts. And the answer I have here is "Matters referred to in the letter from the Auditor General"—I think Mr. Howe refers specifically to the letter here—"have been adjusted to the satisfaction of all concerned."

By Mr. Coldwell:

Q. What adjustment would you say that answer refers to, Mr. Baldwin?
—A. The only possible adjustment would be that, as I say, there may have been some slight overpayment in connection with the \$400 a month at a certain date, but the adjustment was made in the following month.

Q. It would not mean this, to clear up the point that may be inferred, it would not mean that an overpayment had been refunded or anything of that sort?—A. Oh, no; there is no overpayment as far as I know and never has been overpayment unless you can construe an advance for travelling, to be used on travelling expenses, as an overpayment. I do not think the word is a good one. As far as I know there has been never any overdrawal of expenditures. The very worst that might have been said, is there may have been an ordinary normal

delay in accounting for an advance. I have never had anything drawn to my attention regarding that, frankly it is new to me. I think there is some confusion possible in that regard. I had to press a great many people in my various jobs to get at their travelling expenses accounts, a great many distinguished people. You get them finally, but sometimes it takes days, weeks or months, but I can say that in anything I have had to do with Mr. Murray he was the least of the offenders, if I may put it that way.

By the Chairman:

Q. Do you think that it is your business to press them for it?—A. I think he would want me to do so.

Q. Have there been any instances with reference to Major Murray where there has been a refund on his part of an expense account?—A. Not that I remember.

Q. Would your memory be correct in that regard, reliable?—A. Pretty good.

Q. With reference to the statement of the last year for which we have information, \$760,000 cash in the bank, do you find it necessary to maintain such a cash surplus as that?—A. Not necessarily. As a matter of fact that was invested; within a few months after that we bought the Victory bond.

Q. What are your accounts receivable of \$277,000 made up principally from, what is the main item?—A. The main items are accounts from private broadcasters or agencies who are working for them. We deal largely with agencies. Our bills are made largely to the agencies, not to the actual broadcasters; but to all intents and purposes this is money due to us for broadcasting, from sponsors, if you like.

By Mr. Isnor:

Q. Is that not an exceptionally large proportion of your revenue from such a source to be outstanding?—A. No; I think it runs about like that from year to year; it is not a great deal out of—

Q. Your total income from such sources would be roughly \$900,000?—A. That is net.

Q. That is net?—A. Gross receivables would have been a great deal more than that. I consider that receivables outstanding are very small and incidentally, very good.

Q. I was taking the \$277,000 as that proportion of— A. Of the \$900,000? No, no, you would have to take it as a proportion of the gross.

Q. What would be the gross amount, roughly? You do not show the gross amount. You only show the net amount.—A. From time to time the question of publishing the gross figures on commercial has come up here, and I think it was deemed advisable not to put them on the record. I am in the hands of the committee. I have all figures here and all breakdowns. But I think as an employee of the corporation I should not be asked to produce figures which heretofore it has been deemed inadvisable to put on the public record. I do not know if it is significant. Perhaps I can explain what you want in another way. The question is whether you should put on the public record the complete breakdown of your commercial income. I understand that Dr. Frigon will have something to say on that later on. But personally I would prefer not to be asked to put on the record figures that have been withheld to date.

Q. I had no thought of endeavouring to find out as to discounts or whatever term you use, by asking for the gross amount. I simply was making a comparison between the outstanding bills receivable and the amount as shown in your statement.—A. Might I say this, that the amount outstanding is a very small percentage of the gross billing.

Q. What percentage would you say it represents?—A. Oh, if I told you that, you would have the answer.

By the Chairman:

Q. What is the practice of the corporation with reference to accounts? When you have accounts receivable or accounts of that kind outstanding, are those accounts settled quarterly, monthly, half-yearly or what?—A. Monthly.

Q. They are settled monthly?—A. Yes. There is very little outstanding any length of time.

By Mr. Hanson:

Q. With reference to this \$4,000 of bad debts, what does that consist of?—A. Offhand I could not tell you. But it is a little reserve against odds and ends that we might lose. This \$4,006.00 reserve is to cover the odd little fellow who has not paid his bill and looks rather bad. So we set up this little reserve. It is a very small one. It is not significant.

Q. There is another question I should like to ask with respect to real estate and buildings. What is that composed of? Is that the assessed value in each municipality?—A. Actual cost to us, plus what we took over at an inventory value from the commission.

Q. How would the actual cost compare with the assessed value? Take for instance, property in Ottawa. How would the actual cost compare with the assessed value?—A. We do not own any property in Ottawa.

Q. Well, take anywhere else, then.—A. Frankly, I could not say. But I would be very surprised if it were not a very low valuation. In all cases, we have improved it. Frankly, I do not know the assessment on our properties.

By Mr. Graydon:

Q. Do you have to pay an assessment to the municipality where you have a station?—A. No. That is very definite. But we often get assessment notices. In fact, there was one sent in the other day.

By the Chairman:

Q. You mean the corporation does not pay to the country taxes of any kind?—A. None whatever.

By Mr. Bertrand:

Q. Not even special municipal taxes?—A. No, not specifically as taxes. We have had occasion to pay for certain services. I know one in the province of Quebec was for clearing roads of snow. But that was a special arrangement that was made. I think in Watrous we had some special service tax for some water. We are very careful to avoid any admission of obligation as to taxation. That comes up again and again.

By the Chairman:

Q. What do you base that stand on? The Canadian National Railways have to pay municipal taxes where they are situated.—A. Well, the words "emanation of the crown" or the term "emanation of the crown" have crept into these minutes again and again. It is something that I certainly am not qualified to deal with, but I understand that as an emanation of the crown or a child of the crown we must not pay taxes. That is certainly the stand they have taken. It does not work both ways—at least, it does not always work, because I remember very well that very early I tried to get the franking privilege for the corporation and got turned down cold. We also have approached the civil service with regard to a pension scheme and got turned down cold. It is one of those subtleties I will have to leave to the lawyers.

Mr. COLDWELL: When members of the house ask questions about the C.B.C., they are refused an answer because it is said to be an autonomous body.

By Mr. Graydon:

Q. It is sort of an emanation of the crown that has not quite emanated. Is that the idea?—A. I sometimes think we are trying to make the best of both words.

Q. You certainly are.

By Mr. Bertrand:

Q. You have not given up all hope insofar as the pension scheme is concerned, Mr. Baldwin?—A. No, sir.

By Mr. Isnor:

Q. What check have you in regard to the transfer of funds, if that is how they come to you, from the Department of Transport to your own books, having regard to a comparison as to the accuracy of those figures for licence fees, we will say?—A. Well, every week an employee of the Department of Transport telephones to me and tells what the amount of collections to date is; that is, the net collection after they have paid their collection charges to the agent. I keep record from week to week. Once a month, on the basis of those figures, we apply for a transfer in round sums of what stands at our credit presumably in the books of the treasury or the treasury branch that looks after the transport department. At the end of the year we get a formal statement giving the number according to districts, of radio licences sold and also a written statement as to the total. I do not think there is any question about that.

Q. I was just wondering how it is done. I wanted to follow it.—A. That is how it is done.

Q. At the end of this year, from this statement you make a comparison of the gross amount which you have received with the figures as advised by the Department of Transport, I suppose?—A. Yes.

Q. How do you account for the difference in the figures as shown in the 1941 report, we will say? There it shows the licence fees as \$3,140,259.79 and in the report as tabled to-day by Mr. Rush it shows \$3,139,152.10.—A. I am sorry. I would have to see those figures before I could give any answer. I can only assure the member and the committee that there never has been any trouble of reconciling them. I have never seen your figure. Are you sure it is for 1941 and not for 1942?

Q. I can pass it to you if you would care to have it right now—A. Certainly. I would like to see it. There has never been any question of difference of opinion about it at all, that I know of.

Q. I will hand it to you now.—A. Might I just let them study that and give you an answer later?

Q. There is 1940-41.—A. I could not tell you. I have never seen those figures before. If you care to, I will get a reconciliation of them for you.

Q. I think there is two years here.

Mr. COLDWELL: What is that?

The CHAIRMAN: Appendix 5 of Mr. Rush's report compared with the annual report for the year March 31, 1941, under "Income and expenditures".

By Mr. Graydon:

Q. I do not think you have given, up to date, to the committee the general structure of your treasury office set-up across Canada, having regard to the various regions and also headquarters. I wonder if you would let us have that in brief, as to how many are employed and what positions are actually held in the structural set-up of your organization?—A. First of all, at head office here in Ottawa, in the Victoria building, I have on my immediate staff, my accountant, Mr. Bramah, who is head of all accounting. There we have

cashiers; that is, those who have to deal actually with the banking. We have a department which has to deal with the pay-roll of our own 600 people, which incidentally is becoming increasingly difficult for anybody to run pay-rolls.

Q. Is everyone paid directly from this office?—A. Everybody is paid directly from this office. We have the use of the services of the pay office in actually making the cheques, if that interests you. Our accounting is based on the Hollerith card. Every cheque is punched, also, for every salary. Everybody with a salary has a Hollerith card punched. They are turned over to the local government pay office, who very kindly do that work for us. They run off our cheques and they are paid once a month from Ottawa, everybody in the corporation.

Q. Are those cheques from the C.B.C. account or from the dominion government account?—A. No, from the C.B.C. The only cheque we get from the dominion government at all is when they transfer licence fees over to us, and we get a cheque every month.

Q. Yes, I see.—A. Is that satisfactory on that?

Q. Yes.—A. Well, I do not think there is anything that I can say about the head office except that we have a very efficient system of accounting, using a great deal of machinery. We have the Hollerith punch card system and we have—and this may interest you—an electrical ledger system in which our accounts payable are kept. That is all done here. We have a complete system of accounting, with our general ledger and so forth, here in Ottawa.

Q. Is there an assistant treasurer?—A. The assistant treasurer is not in Ottawa, but is in Montreal. I notice that has come up before. It is not very odd. When Dr. Frigon was given more particular and specific duties to perform as controller, he stole my assistant and took him down to Montreal to look after what was done here largely at that time, which was the control at the point of commitment. So my assistant, Mr. Mortimer, is in Montreal directly helping Dr. Frigon in the matter of commitments. I was sorry to lose him, but I think it was a very proper thing to take place. That is the story of Mr. Mortimer.

Q. In the various regions, what sort of set-up have you there?—A. If I may go back to the first day I had business with Mr. Murray, he told me one or two things he wanted to get done; and he said one complaint that was coming to them from across the dominion and had bothered the commission a great deal was the delay in paying artists. He said, "Will you devise a scheme for paying artists quickly?" It was a little bit difficult. I borrowed a little from Mr. Sellar's treasury official arrangement, and I placed at the production centres—that is, in Halifax, Montreal, Toronto, Winnipeg and Vancouver—men whom I dubbed (and I conceived the name) treasurer's cashiers. Those men were to have direct access to me and were to represent me on the spot in the matter of payment. I provided them with a local bank account, a local trust account, and gave them an impress equivalent to about a week's artists' fees. They then pay there the pay-roll on the order of the local manager, having particular care that as far as is humanly possible they see that every artist gets his cheque. They actually have access to the studios. I got that after a little fight. I was told that the artists were temperamental people and they would be upset if we put in a man checking them up. However, I insisted on that at the time.

By the Chairman:

Q. They sort of hate to take it.—A. They hate to take it. The man who was responsible for paying the pay-roll should, as far as possible, see that the man who was getting it was one who had performed. He could not say whether he was worth it or not; but at least they get to know them, as the bank teller gets to know his customers, and they do not hand out money unless they know

a man is entitled to it. That, I think is the extent of the control. As those pay-rolls come into head office perhaps a week afterwards, we see that they have been properly passed not only by the local people but by Mr. Bushnell or his representatives in Toronto. So that we finally get a complete control on the artists' pay-roll. That control, as I have pointed out, is on all the moneys and it is a very great deal of money, of course. Those treasurer's cashiers have between \$25,000 and \$30,000 all the time, and that is going out from Halifax to Vancouver every week. The system has worked out very well. I have never heard any reasonable complaint about it.

By Mr. Graydon:

Q. Having regard to these treasurer's cashiers and the others who are employed under your supervision, how many employees are there on the treasury staff?—A. I think forty-two. Forty-four, I am told. Twenty-three at the head office. Forty-four altogether.

Q. Is any of your work directly under the supervision of the general manager?—A. Well, all of it is, in a sense. He is still the general manager.

Q. Everything is under him, in a sense. But it is that condition that I want to question you about.

Mr. BERTRAND: The practice.

By Mr. Graydon:

Q. It is the practice that is followed. I understand that programs and the payment of artists are under the general manager. Is that so?—A. Yes.

Q. In the matters relating to the payment of artists, if any question arises, I suppose the final say would be in the hands of the general manager. Would that be so?—A. Yes. I think that is correct.

Q. Then in other matters the final say is in the hands of the assistant general manager?—A. I think that is correct.

Q. And how far does the finance committee enter into the picture with respect to these matters I have just referred to?—A. Well, as regards the finance committee, I cannot speak. I have no direct contact with them; nothing but the most informal contact.

Q. Any contacts there are, are between whom?—A. The controller.

Q. The controller of finance?—A. To refer, if I may, to Mr. Murray for a minute—there are many things that I might see him about, in connection with payments, special payment of artists, special artists, knowing what is on the cards in the way of expenditures. I have a great many discussions with him as well, feeling as I do that it is the proper thing that I should keep the general manager informed about anything that he would be interested in financially. I take particular pains to do that.

By Mr. Coldwell:

Q. What is the distinction between the controller of finance and the general manager in these fields?—A. I would say this: that any formal presentations are addressed now to Dr. Frigon as comptroller of finance; actually he must depend on someone to get the details done and I devised a system which I think he finds to be all right whereby I report to him once a month.

Q. Your authority for making the expenditures is received from the comptroller of finance?—A. Ah, that is another story.

Q. What is the story?—A. Would you like the story? I can give you that. First of all, I would say the authority for expenditures rests on a budget, an operating budget, which is under discussion in the early months of the year which finally after many many drafts, with which I have very little to do incidentally just now, it is nearly all done in Montreal—I am not

objecting to that at all—but finally it reaches me and it is my authority from the board of governors and the only direct authority or sanction from the board of governors. They present a budget which comes to me as a signed budget and that is the basis of the first control.

Q. Yes.—A. Now, the control thereafter is carried on in many many different ways; in the matter of salaries, for instance, which you can understand is one of our very largest items, the control on that is exercised by the signing of an application form, or an employment form to be more accurate.

By Mr. Graydon:

Q. Who signs that?—A. That is signed by the comptroller.

Q. By Dr. Frigon?—A. Dr. Frigon.

Q. Does he have to sign each one of those?—A. He signs each one of them, sometimes they are also signed by the general manager, but they come through formally to me through Dr. Frigon as comptroller.

By Mr. Coldwell:

Q. You have no contact with the board in advising on the budget?—A. No, sir.

Q. You do not meet the board; and then, I take it that the comptroller is the actual contact between the board and yourself?—A. Yes.

By Mr. Graydon:

Q. In the budget that comes from the board of governors, is that separated into various departments of expenditure?—A. Yes, it is divided, I may sketch it for you, into five compartments; that is, the board of governors, administration, programs, engineering, commercial: now then, each of these departments is broken down into objects of expenditure and I think there are about fifty-seven active objects of expenditure—and that this is all getting back to mechanical bookkeeping—but there is a complete breakdown. I am not very much concerned about the breakdown of objects of expenditure. If the departmental figures are well within their lines; that is to say, it does not matter very much whether a little bit more has been spent on telephones rather than on freight or something like that; I do not know the extent to which the control discloses that, but as far as I am concerned I don't watch it very closely. I do however watch it departmentally.

By Mr. Coldwell:

Q. If you thought there was a serious over-charge or something of that sort, with whom would you take it up?—A. I would take it up with Dr. Frigon. I might very easily take it up with the general manager if he was directly concerned in the matter.

Q. But you do take it up with the comptroller?—A. Yes, under the general manager's direction; I mean, all these sorts of things have to be taken up with the comptroller.

Q. Under the direction of the general manager?—A. Yes.

Q. So you report first to the general manager?—A. No, the general manager issued directions when the office of comptroller was instituted. These are directions that the reporting of all matters that have to do with finance or that have to do with commercial or that have to do with engineering were to be made to and dealt with directly by Dr. Frigon.

By Mr. Graydon:

Q. Having in mind your practical experience, and with respect to the question of the division of management here, have you any suggestions that will be helpful to the committee with respect to the matter of divided authority between

these two heads of the C.B.C.?—A. I would like to say that we have got on **extraordinarily well**. I do not think I should be asked to say more than that. After all, it becomes very personal.

Q. I have not the slightest doubt in my mind that there are the happiest of relationships, but this committee is not dealing with the question of personal relationships at all, this committee is dealing with the broad general principle as to how the efficient performance of the management of the C.B.C. can be better advanced; and you have a fairly comprehensive view, and a view which is an independent one with respect to how the efficiency may be increased. There has been a great deal of evidence adduced here which tends to show that the division of authority at the top of the C.B.C. is not working always in the interest of a radio broadcasting public ownership system, and I was wondering if you would care to make any comment which would help the committee in arriving at a decision by which we could make a report that would improve the conditions under which it operates. I am not concerned about personalities because they do not enter the picture at all.—A. I would prefer not to.

By Mr. Hansell:

Q. In connection with the balance sheet as recorded on page 24 of the annual report of 1941, under liabilities there are two classifications of loans; one is that $3\frac{1}{2}$ per cent from the dominion government for capital works—to date there have been \$400,000 paid off on a \$500,000 loan—have you any specific obligation to pay any certain amount at any certain time on that loan?—A. Might I make a slight correction? The whole of that \$500,000 loan has been paid off but we still have some \$503,000 odd on the second loan. It has been repaid in advance; but I presume as long as that loan is paid at the end of ten years from the date that we got it—it has about seven years to run now—that is all that would be asked. As a matter of fact, I should think that if we were not to make any payment for the next two or three years we would still be well within our rights. I think I may add that it is proposed to pay the balance of that loan within the terms of the loan in equal semi-annual payments.

Q. And that is the second loan now?—A. Yes, we have paid off the first one, it is finished.

Q. And the figures with respect to it will appear in the 1942 report?—A. Yes.

By Mr. Ross:

Q. What rate of interest does that loan bear?—A. At the rate of $3\frac{1}{2}$ per cent per annum.

By Mr. Hansell:

Q. And that is vote No. 664, that $3\frac{1}{2}$ per cent?—A. Yes.

Q. What is the balance outstanding now?—A. \$503,000 odd.

Q. Now, another question: It has been said that the corporation is an emanation of the crown and therefore I assume you would pay no corporate taxes, excess profit taxes or anything of that kind; and that cannot be said of private broadcasting stations, can it, they are subject to taxation?—A. I should think so.

Mr. HANSELL: I just wanted to have that for the record.

By Mr. Graydon:

Q. That phrase, "emanation of the crown", comes in very handy, doesn't it?—A. Very.

By Mr. Claxton:

Q. I think you said that you had spent \$63,000 on a property in Montreal—

A. No, not Montreal, that was in Toronto.

Mr. CLAXTON: I am sorry, I got it wrong.

By Mr. Graydon:

Q. In any of these locations where you have broadcasting stations are there any—you said that because of the highly illusory term, emanation of the crown, no local municipal taxes are paid, with the exception of certain ones which you mentioned.—A. Quite so, we quite often get assessments and such notices but we are very careful to see that we don't pay them.

Q. You take great care on that point?—A. Very great care.

Q. In any event, are there any government stations in which people are living permanently in say the case of caretakers, or otherwise?—A. Yes.

Q. What happens in regard to school taxes then?—A. That has come up recently in Watrous. I hope I can give you an accurate account of it. It has been a little bit difficult, but in order to avoid any admission of taxability, one individual looks after the thing, and as I recall it, he makes the payment, not the corporation; which I am informed actually frees us of any obligation. I think if I remember rightly the corporation makes it good to the individual. It is not so much the paying of the tax as the admitting that we are doing it.

Mr. BERTRAND: You want to preserve the principle.

The WITNESS: Yes, we want to preserve the principle. I know that is done in the case of Watrous.

By Mr. Coldwell:

Q. Perhaps there is a caretaker there who has two children who are attending school and he pays so much for the children there.—A. I understand that, it has not been done officially by the corporation, it has been done through an individual.

Q. I think the school board has the right to assess a family occupying a property certain fees without any direct taxation on the property itself?—A. I know that they get their money and we preserve our face.

Mr. COLDWELL: It is quite a legal way of doing it.

Mr. GRAYDON: I think that some time or other this corporation will have to get off these two horses it is riding and get onto one. For the time being it may have been able to wiggle through with the kind of plan they have been following, but I think the time will soon arrive when the corporation has to be regarded as an emanation of the crown or not an emanation of the crown; because in some parts it takes the one stand and in other parts it takes the other; but I do not think it is really right that a corporation should take that view, it is supported by public funds whether they are collected by reason of radio fees or from government support. I do not think that as a public enterprise such as that it can keep on going under the present scheme because it is getting to be a ridiculous position which the corporation finds itself in. I am not going to ask you to comment on that, however, but I rather fancy that a man of your standing will have somewhat similar views to my own.

Mr. CLAXTON: In that connection, I suggested a moment ago that we might have the Deputy Minister of Justice here to give us some information on the status of the corporation. I wonder if he has been warned that we will expect that from him?

The CHAIRMAN: Not yet. We can attend to that.

By Mr. Bertrand:

Q. Have you the right to sue in the name of the corporation?—A. I understand we have, yes; that is in the act, as I read it. I am not a lawyer.

By Mr. Ross:

Q. Can you be sued?—A. Sue and be sued, I think.

By Mr. Graydon:

Q. How can an emanation of the crown be sued?—A. Ah!

Mr. CLAXTON: I think we had better call the Deputy Minister of Justice.

The WITNESS: I think you had.

By Mr. Isnor:

Q. During the five or six years of operation in which a surplus has been shown, it has been something of the order of \$1,000,000?—A. Yes.

Q. Have you taken care of these loans which have been paid off out of that surplus?—A. In the process of operations we have got that much further ahead, either by putting it back into plant or paying off loans. That is, I think, the proper way to put it.

Q. Just what amounts have been refunded or taken care of?—A. In the matter of loans?

Q. Yes.—A. I gave it earlier here. It is roughly \$700,000. We borrowed altogether \$1,250,000 and we have remaining \$503,000 odd now.

Mr. ROSS: I understand that you have \$500,000 invested in Victory bonds?

Mr. GRAYDON: Oh yes, that is something I was trying to get some information about; who authorized that?

The WITNESS: I would say it was the board of governors. I do not think there can be any question about it, that it is an advantage to the corporation to have something behind it in case of disaster, something in the nature of working capital and not be absolutely strapped. You can imagine circumstances when it would be very embarrassing both to the corporation and the government to have to go to the House of Commons to get a loan; for instance, to rebuild something that has been blown to pieces.

Mr. BERTRAND: You are freer that way as a corporation?

The WITNESS: Oh yes, there is no question about it. I think I have been referred to as stony-hearted; I want to say that I regret exceedingly having to pay $3\frac{1}{2}$ per cent on a loan to the government and only getting 2 per cent or $2\frac{1}{2}$ per cent on the amount that we loan to the government. One might continue this most fascinating discussion indefinitely as to what good it does the government anyway, our buying a bond. I won't go into that.

By Mr. Coldwell:

Q. You said you bought that just to have some reserve behind you in case some property was blown away; this thought has just occurred to me, have you insurance?—A. Yes, sir; but not that kind.

Q. Have you cyclone insurance?—A. We have cyclone insurance on the towers, as I remember.

Q. I think you should have some at Watrous.—A. I do not think, as I remember it, that we have it on the buildings; Dr. Frigon would know more about that than I. As I remember it if the towers were blown over we would be covered.

Mr. COLDWELL: You know we have a lot of very low buildings in Saskatchewan which have been damaged by wind.

By Mr. Graydon:

Q. Have you any war risk insurance?—A. I am afraid I do not know what you are talking about.

Q. There has been a bill passed in the house with respect to war risk insurance?—A. Yes.

Q. Which is in general simply an arrangement which the government is setting up to take care of these risks which in present channels of business are not acceptable to companies; has any consideration been given to that, do you know?—A. Not that I know of.

By Mr. Isnor:

Q. In your capacity as treasurer would you care to comment in regard to the present system of the Department of Transport collecting the licence fees and then passing them over to your corporation; or, should the whole matter of business be governed directly by the C.B.C.?—A. I think it would be most unfortunate if we had anything to do whatever with the collection. It is the greatest possible benefit to us that we are not called upon to go and knock at people's doors for the \$2.50. At least we have somebody between us. There could be no question at all about that, and I should think from what I know of it they conduct their collections with a good deal of efficiency.

Q. There is no question in regard to the efficient manner in which they carry on their operation of it, nor do I think that your answer that you should not be subject to knocking on the doors enters into it. One branch of the government must do the collecting of the revenue. My question was from the business standpoint. Do you as treasurer feel satisfied that the present system is the best to follow?—A. I am quite satisfied with it.

By Mr. Graydon:

Q. In other words, the government makes a good cushion?—A. Certainly.

By the Chairman:

Q. Are these regional treasury officers that you have bonded?—A. Yes, sir.

Q. And your treasury officials at headquarters, those who have to do with the handling of money or cheques?—A. All those who have to do with the handling of money as such are bonded.

By Mr. Hansell:

Q. There is just one question I should like to ask. In appendix II, "Income and Expenditures", there are a number of items such as expenditures of programs, station networks, engineering, and so forth. There is one "Commercial, \$97,805.11." There is just one word, "commercial." Will you amplify that?—A. That should have another word added. It should be "Cost of the Commercial Department".

By Mr. Graydon:

Q. Are there separate accounts for the operations of the French network?—A. No, sir, except that every expenditure is broken down by location. I think there are some twenty-seven locations, and naturally that expenditure falls into one of those; so the cost insofar as it can be defined for that province or any city or place where money has been spent can be got at. There is no provincial accounting as such.

By Mr. Isnor:

Q. In your budget you gave five headings, if I remember rightly, "Board of Governors, Programs, Engineering, Administration and Commercial." In your financial statement you show four of these. Do you keep a separate account for the Board of Governors?—A. Yes, sir.

Q. You do not show that in your statement.—A. Well, in the published statement it is included in administration, I think, that is all.

By Mr. Hansell:

Q. You said a little while ago, Mr. Baldwin, in connection with the investment of funds in Victory loans that the policy rested, I think, with the Board of Governors. To my mind that is quite safe when it comes to Victory loans, but would the same answer apply in respect to investments in anything else?—

A. I cannot make any investment; there is no question about that. We have no power to make investments.

Q. Well, now, what do you mean by that, the buying of Victory bonds?—

A. You mean buying securities?

Q. Yes.—A. I do not think there has ever been any question of our buying securities other than this Victory loan which was done, no doubt, in consultation with the ministers. We do not engage in investing our surplus funds. The question has never come up.

Q. No; the point I am trying to make is, there is a principle involved there. Investments in securities may be perfectly safe insofar as the Victory bonds are concerned, but there may be other types of securities that would not be just as sound as that—A. I suggest that the Board of Governors cannot do that without reference to the Crown.

Q. That is the point I wanted to get.—A. I think that is so.

By Mr. Coldwell:

Q. I was going to ask a question about the investment. Was it made out of accumulated funds?—A. Yes.

Q. On deposit?—A. On deposit, yes, sir. I might elaborate that by saying we have unusual banking arrangements. We get by special arrangement with the Royal Bank $\frac{1}{2}$ of 1 per cent per annum on our inactive cash which we keep in a separate banking account. Our financing gets a great big bulge at the beginning of the year and it runs down to nothing later on; so we get a little income out of this which is a little bit better than nothing. It would be better actual business if we paid off our other loan.

Q. I just wondered if you had to finance the purchase of the Victory loan?—

A. No.

Q. You had surplus funds on hand?—A. Yes, sir.

By the Chairman:

Q. Were you pressed to make a subscription to the Victory loan?—A. I know nothing about it, Doctor.

By Mr. Ross:

Q. What was your balance again after you made that Victory loan? You had so much cash on hand and you made a Victory loan.—A. On that particular date?

Q. No, at the end of the year. You gave it a while ago.—A. 1942, you mean?

Q. Yes.

The CHAIRMAN: May I just point out to you, according to section 14 of the Canadian Broadcasting Act the corporation shall retain all the moneys received. This is what the Act says:

The Corporation shall retain for the purposes of this Act all moneys received by it arising out of its business.

There is no authority to make an investment of any type, whether Victory loan or otherwise.

The WITNESS: \$285,000, Mr. Ross.

By the Chairman:

Q. There is another question I should like to ask you in connection with the regional offices and so on. Have you a system of inspection or do you depend altogether on the Auditor General for the checking up of the regional offices?—

A. Well, in the first place we have tried to see that the treasurer's cashiers have been trained in head office as far as possible so they can be fully acquainted with the business. We then put them out there and we visit them very often. Mr. Mortimer visited them and Mr. Bramah has been out to some places. I regret to say I have not travelled as much as I should, but I make a point of carrying on correspondence with them direct about particular matters; but the actual control and audit becomes purely mechanical because they are only paying pay-rolls. Everything else is paid in Ottawa. The only expenses that are dealt with in these points are pay-rolls, which are paid weekly.

By Mr. Graydon:

Q. When you do go travelling do you get any travelling allowance or living allowance?—A. \$10 a day.

Q. Plus whatever additional expenses you may incur?—A. I am a humble old gentleman and I do not have any.

Q. You do not have any additional expenditures?

The CHAIRMAN: Is that a comparative statement?

By Mr. Hansell:

Q. The transportation is paid?—A. Yes. The per diem allowances are for living expenses.

By Mr. Coldwell:

Q. Over and above transportation and sleeper?—A. Over and above transportation and sleeper.

By Mr. Graydon:

Q. May I revert back to the very interesting point raised by the chairman in connection with the authority for the investing in the Victory loan? I think that some member asked you a question before you had an opportunity of commenting upon the chairman's remark, Mr. Baldwin.—A. Frankly, I have often wondered myself.

Q. Did your wondering ever take you any further than that?—A. No.

Q. Would you have any responsibility with respect to that matter?—A. I doubt it. I do not think I should be called upon to intrude either my opinions or experience of anything into the decisions of the Board of Governors. I think they would have every right to fire me.

By the Chairman:

Q. The point gets down to this: either you did it on your own authority or under the direction of somebody. Under whose direction was this investment made when it is contrary to the Act?—A. By the Board of Governors by resolution.

Q. They take full responsibility for it?—A. Yes.

By Mr. Graydon:

Q. Did you draw it to their attention?—A. I did not; I was not consulted.

Mr. BERTRAND: To what section of the Act are you referring, Mr. Chairman?

The CHAIRMAN: Section (2) of article 14, which says:

The Corporation shall retain for the purposes of this Act all moneys received by it arising out of its business.

That is very specific.

Mr. BERTRAND: The Act also says:—

The Corporation may administer all funds which may be placed to its credit in the Bank of Canada or in a chartered bank in accordance with the provisions of section fourteen hereof—

The CHAIRMAN: The end of the section is important.

—and may administer all other sums and revenues which may be obtained by or given to the Corporation or derived from any other source, exclusively in furtherance of the purpose for which the Corporation is constituted.

Mr. BERTRAND: Yes; but “administer” includes the placing of money in gilt-edged securities. If you have some money in the bank and you do not need it it is the duty of administering it to see that it bears some interest.

Mr. TRIPP: If you place that money in the bank do you not invest it?

The CHAIRMAN: No; money in the bank is not considered as invested.

Mr. HANSELL: I think, Mr. Chairman, your point may be well taken; but it seems to me it is a matter of interpretation. If they have to retain the money it seems to me it imposes upon the corporation the responsibility of handling the money as in contradistinction to some other department of government. I think it would be a matter of interpretation.

The CHAIRMAN: The whole thing is put down there to safeguard the public. If they can invest in Victory bonds they can invest in any other securities which are less secure.

Mr. GRAYDON: From the practical standpoint—

The CHAIRMAN: I have no quarrel with the investment at all.

Mr. GRAYDON: It is good business from the standpoint of the corporation to be getting $3\frac{1}{2}$ per cent on the bond, or whatever they get. The chairman's point is well taken. I think perhaps we will be doing a public duty in discussing the matter here so that in the subsequent deliberations of the Board of Governors they will see that the parliamentary committee at least is alive to the possible abuse of privilege which at the present time cannot be regarded practically as an abuse but technically so.

Mr. COLDWELL: There was one more point I should like to mention. When Mr. Baldwin made the answer he did I am not just sure as to whether he has taken the right view. He said, or as I understood him, with regard to the question of this particular matter, “They might fire me.” Now I take it it is the duty of the treasurer to question the authority of anyone who authorizes him to issue a cheque on the corporation's funds if he deems it necessary. I think it is his duty to question the authority when he feels that there has been the least possible doubt about it. I, like Mr. Graydon and others, think the investment in the Victory loan was warranted and we ought to approve of it.

The CHAIRMAN: And probably pressed.

Mr. COLDWELL: There is the point, however, that it is the duty of the treasurer when he is asked to issue a cheque or make a payment of any description to question the authority if he feels there is any question about it. That is my view; and that he should not be subject to dismissal if he has got a good case.

The CHAIRMAN: That part of the treasurer is far-fetched.

Mr. HANSELL: May I ask if this victory loan transaction was made direct with the government or through an agent?

The WITNESS: I think an agent was employed.

Mr. HANSELL: The agent would then receive a commission?

The WITNESS: I do not think so.

The CHAIRMAN: I think the practice was that this would come under special subscriptions, and in the case of special subscriptions commissions were not paid.

The WITNESS: I think that is the case.

Mr. CLAXTON: Would it not depend on which loan it was? The practice was changed.

The CHAIRMAN: Yes.

Mr. HANSELL: I think Mr. Baldwin has been a very fine witness.

Mr. COLDWELL: Mr. Chairman, Major Murray was going to table some correspondence concerning his reply to Mr. Buchanan and memoranda and letters relating to Mr. Pickering's resignation, the Estorick and Siepmann reports, etc., and I think he is preparing an outline of the situation which followed the outbreak of war in regard to the governors and ministers and so on, and some reports of C.B.C. programs and payments to commentators. I was wondering if it would not facilitate the business of the committee if they could be tabled and put into the record so that we could read them and base our questions subsequently on them. We are now getting along in the session and the sooner we get these matters cleaned up the better.

Mr. MURRAY: Mr. Chairman, there are a good number of subjects covered. It might facilitate your proceedings if I had an opportunity of reading the memoranda and then being questioned on each item alternatively. If it is so desired I think the documents could be brought forward to-day and put into the record, but I should like an opportunity of discussing them because there are points which do not lend themselves to being set out in a statement.

Mr. COLDWELL: I think that is very fair. If Major Murray wants to discuss some points I think he should have that right.

Mr. CLAXTON: Would it not be an advantage to have the documents put into the record now so that we could read them and thus save time later?

Mr. MURRAY: Skeleton memoranda are ready.

The CHAIRMAN: You would like to make some comments with reference to them, would you? Could you have a statement prepared for publication now and make your comments at the next meeting or at a subsequent meeting.

Mr. MURRAY: That would be advantageous if that would serve the convenience of the committee.

I was requested to bring forward the opinions of Mr. Charles A. Siepmann and of Dr. Eric Estorick on broadcasting in Canada.

Mr. Charles Siepmann, now in the Office of Facts and Figures at Washington, formerly in charge of the radio research department of Harvard University, and before that, Talks Director in the British Broadcasting Corporation. Mr. Siepmann sums up as follows:—

In my fourteen years of broadcasting I think I have not come upon a situation in which broadcasting was confronted with such complex difficulties. These, of course, have not been overcome, but they have been faced resolutely and the fruits of the work seem to me greatly impressive. I was struck, as you know, by the loyalty of the staff, by the spirit of public service that has been created. I was impressed by the recognition of the differential needs of the various provinces.

The Canadian news bulletins are the best I have ever heard anywhere, avoiding the defects of both the British and the American services.

Shugg's work in Toronto for the Farm Community seemed to me first-rate and a service of national importance. The development of the school service in British Columbia showed great promise and will, I hope, prove to be only the beginning of a school broadcasting service for Canada as a whole, organized regionally.

To summarize my impressions I would say that in face of difficulties by which any but a stout heart might have been dismayed, the C.B.C. has in a very short time realized to a large extent the purposes for which it was set up. It provides a national service in terms both of physical coverage and of programs of national importance. The integrating influence of radio which in Canada above all countries is of crucial importance is at work and, if it has not yet realized as much as some might hope, it is only fair to reckon with the difficulties that have been faced and the comparatively short time in which such an influence has been at work.

This was the relevant general observation. There were, of course, many points of details taken up personally with me.

Dr. Eric Estorick, Analysis Division, Foreign Broadcasting Monitoring Service, Federal Communications Commission, Washington, by arrangement with the F.C.C. recently undertook an examination of Canadian radio. Dr. Estorick's full report has not yet been prepared, but he has given me a preamble in general terms. It reads as follows:—

In the short historical span of five years, the C.B.C. has become one of the most stable institutions of Canadian life. This achievement is the more remarkable when it is realized that Canada possesses a system of private radio in addition to the C.B.C. As if the complex difficulties of this comparatively virginal organization were not enough in themselves, the proximity to the United States and the inevitable cultural and commercial interplay which such closeness must enforce has been an added factor. Surface generalizations, therefore, about the state of Canadian radio—and the embrative role of the C.B.C.—are less than useless without an understanding of the total situation.

The most immediately striking phenomenon of Canadian life is its diversity of race, creed and language. Since the accommodation and resolution of this diverse prolixity is the greatest challenge which this modern age makes to the democratic way of life, it is a tribute to the perspicacity of those persons responsible for its creation that a national radio for Canada should ever have been realized beyond the blueprint stage. And it has been realized. To be sure there are a number of pressing problems yet to be faced. First of all, it is to be expected that in an organization so new that the centripetal forces would be strong; personnel, program, technical and research problems would have to come, in the primary stage, from the centre. With the passage of time—and the maturing of the C.B.C. embryo—the growing experience has had to expand in order to embrace the immense regionalism which is the hub of the vast cultural diversity of Canadian life. The C.B.C. has begun to do this, as this is in fact the area where its greatest expansion must take place. From a technical point of view, the C.B.C. has made gigantic strides. Its news service, which is the strongest over-all service of any broadcasting organization, ranks with the finest in the world.

As an experiment in national radio it displays the difficulties which ensue inevitably from dependence first, upon broadcast licence fees, and then, on commercial income. The degree of commercialism on the C.B.C. has been forced in measure by the type of relationship which

exists between the C.B.C. and the Canadian Government. This degree may resolve itself positively if the C.B.C. is able to (a) give freer play to its regional possibilities, (b) make the necessary changes which such regional development will necessitate.

It is my conviction that this segmental work of regional development can be done if there are parallel and over-all forces at work in the central organization. These forces involve (a) the C.B.C. being brought closer to its public, (b) concerted attempts being made to build C.B.C. programs for a purpose, (c) the distribution of new and available personnel so that this purposefulness may be best achieved, (d) the specialized training of personnel to do this work, (e) the existence of a staff of regional experts and (f) the creation of a research staff to furnish the C.B.C. with an over-all picture of current audience reactions and audience interests.

An interesting example of the need for staff re-orientation is found perhaps in the fact that the Toronto office of the C.B.C. has many skilled persons who have to devote their time to the central organization of the C.B.C., who might otherwise function even better in the regional development, while the Vancouver office of the C.B.C., which is short in trained personnel, is doing one of the finest jobs of any broadcast unit anywhere in the world because of its magnificent regional conception.

The manner in which the C.B.C. offices in Vancouver, under the direction of Professor Ira Dilworth, have integrated their specific broadcast functions with the cultural milieu, the present war emergency situation and the basic values which underly the whole spirit of democracy at war with rampant totalitarianism, is deserving of the widest commendation.

The problems of personnel development and regional expansion might be given a more precise perspective by the existence of a C.B.C. research agency. This is especially necessary during the present wartime period when events play a much greater role in the shaping of public morale and public attitudes than in peace time. Broadcasting, the only new weapon in the present war, is a vital factor in civilian morale. Radio should strive to keep the population in touch with the facts involved—in the first place through the surveying of objective news, and secondly by acting as an extension of the public's senses to the scenes of action on all fronts. Through audience reaction studies which were more than statistical in character, the C.B.C. could be more acutely guided in its program policies—which involve the manipulation of personnel as well as the ordering of broadcast materials for transmission.

The foregoing sketch has been devoted exclusively to the domestic scene. This, I believe, is only a fraction of the work of the C.B.C. For, in much the same way that a regional re-orientation of the C.B.C. will help to give to Canada and its people a clearer picture of itself, so will a short wave apparatus give to the world a picture of Canada which it woefully lacks to-day. The almost unbelievable contribution which Canada has made to the total war effort is unknown to the world; the vast creative forces which are being generated throughout Canada at the present time, which properly focused could provide the world with the dramatic elements of Canada's greatness, are, I am afraid, almost unknown to herself.

The radio is not only the newest weapon of modern warfare—it is the weapon of continuous warfare which the democratic peoples of the world must use now, to reinforce themselves, to throttle their enemies, and later in the days of peace which must come, to further educate themselves. Because the C.B.C. is young, it must be carefully nurtured. A system of national radio, which is perhaps one of the highest expressions of a democracy, cannot be regarded as an instrument in itself removed from that same democracy.

Points outstanding from previous evidence and questions so far not answered.

About the recipients of retaining fees. There are two of these—R. S. Lambert and Sydney Moseley, and here are notes about each, with figures of rewards and expenses.

Mr. R. S. Lambert:

In December, 1939, a proposal was made by me to Mr. R. S. Lambert that he should be retained as part-time consultant in two fields—one, the spoken word and two, specialist publicity. He was to carry out special commissions; he was to be available for conferences, preparation of reports and the production of suggestions and criticisms. There was to be a fee of \$150 per month for an experimental period of six months beginning January 1st, 1940.

It was left for the General Supervisor of Programs and the Supervisor of Press and Information Service to work out the details of the arrangement. This was done. It was found in practice, that the part of Mr. Lambert's time which we could fairly claim could be best devoted to specialized writing, to attendance at Program Conferences, and to the development of the educational side of the work. An example of the specialized writing is the series of pamphlets "Five Years of Achievement" of the C.B.C. His attendance at Program Conferences and his meetings with program officers have resulted in important enrichment of the program service. His work in the educational field has included the arrangements for the C.B.C. inclusion in the Columbia School of the Air of the Americas, the steady development of schools broadcasting as already reported and the prospective co-operation with the National Broadcasting Company's Inter-American University of the Air.

CANADIAN BROADCASTING CORPORATION

R. S. LAMBERT

Amounts Paid by Corporation

Calendar Year	Talks	Travelling	Consultant	Writing	Totals
1939.....	\$ 520 00	\$ 100 00	.....	.....	\$ 620 00
1940.....	2,137 50	310 65	\$1,825 00	\$200 00	4,473 15
1941.....	1,660 00	1,137 83	3,100 00	345 00	6,242 83
January 1 to May 31, 1942...	770 00	390 04	1,375 00	811 50	3,346 54
					<u>\$14,682 52</u>

HARRY BALDWIN, C.A.,
Treasurer.

OTTAWA, ONTARIO,
18th June, 1942.

Mr. Sydney Moseley:

Since November 15, 1940, Mr. Sydney Moseley has been my New York contact man. From November 15, 1940, to February 15, 1941, he was paid at the rate of \$150 a month. Since February 15, 1941, he has been paid at the rate of \$75 per month—in both cases with expenses incurred when he was instructed to go outside of New York on C.B.C. business.

Mr. Moseley received the following amounts in fees and expenses, year by year:—

Year	Fee	Expenses
1940.....	\$ 249 75	\$246 98
1941.....	1,123 87	457 73

the arrangement being subject to termination at three months' notice.

Mr. Moseley is the regular commentator on station WMCA, New York. He is the only Britisher to be permitted to broadcast regularly over U.S. stations since shortly after the British Commonwealth entered the war. He is a pioneer

of radio and television, an author and journalist of international reputation. He has travelled extensively in Canada and has a thorough knowledge of our conditions.

I was asked about the period in which Mr. R. B. Farrell was on a retaining fee.

Mr. Farrell was retained as a part time consultant from October 1, 1938, to September 30, 1941. He provided for me regular program criticism based on specified listening and prepared reports and studies especially allocated. These had to do with relations with the press, the content of advertising programs and the handling of controversy. There were consultations with me, usually three times a week.

Valuable service was rendered and it was only because of the assumption by all of us of more work, on the doubling-up principle, that the arrangement was suspended last September.

CANADIAN BROADCASTING CORPORATION

R. B. FARRELL

Amounts Paid by Corporation

Calendar Year	Talks	Travelling	Consultant	Totals
1939.....	\$ 985 00	\$175 65	\$1,200 00	\$2,360 65
1940.....	1,050 00	135 65	1,500 00	2,685 65
1941.....	1,250 00	407 60	1,215 00	2,872 60
January 1 to May 31, 1942.....	550 00	.....	.....	550 00
				<hr/> \$8,468 90 <hr/>

HARRY BALDWIN, C.A.,
Treasurer.

OTTAWA, ONTARIO,
18th June, 1942.

Mr. Douglas Ross has asked for enough copies of Mr. J. B. Priestley's pamphlet "If I Ran the B.B.C." for distribution in the Committee. These copies have now been secured through the kindness of the National Association of Broadcasters of the United States. It is important to note that the date of this pamphlet, although not given on the printed copy, is July 24, 1938. This date I have verified in London since the matter was raised in the Committee. It will be observed, that war conditions are not contemplated.

Also, in fairness to the B.B.C., I think I should put one or two explanatory observations on the record. The real reason why the Government of the United Kingdom originally decided to make broadcasting a monopoly was because they felt that there would be neither the channels nor the resources for competitive systems in the United Kingdom. There was an inherent prejudice against the admission of sponsored programs; a prejudice which naturally was not discouraged by powerful and united newspaper interests.

Mr. Priestley omits mention of the competition that was ultimately provided by the commercial programs broadcast from the Continent to England by the International Broadcasting Company, of which Capt. Leonard Plugge, now M.P. for the Chatham Division of Rochester, was the moving spirit. That competition, of course, ceased under the impact of war. Mr. Priestley's main argument might well be taken as justifying the Canadian practice of a compromise between the British and American systems of broadcasting. Here we have the predominant public service motive based upon licence revenue and remote state control, strengthened by the best programs of entertainment which business enterprise can provide under the American system.

As to the argument that there is too much broadcasting, Mr. Priestley is probably right. In theory it would be better to concentrate on a few hours a day rather than to continue to disperse the effort over the whole of every

day and most of every night. If, however, the C.B.C. were to adopt this policy and to try to solace listeners with substantial periods of silence, an inevitable result in practice would be to switch the audience to other stations which certainly could not be induced to close down. Perhaps Mr. Priestley had in mind not so much the actual closing down of transmission as the recognition of the practice of "peak" efforts. If this is a correct interpretation it reflects the policy and practice of the C.B.C. as already described in the evidence on programs.

Mr. Donald W. Buchanan:

Mr. Buchanan began work for the C.B.C. on February 1st, 1937, as a Junior Producer. He looked after talks programs under Mr. Bushnell the General Supervisor of Programs. Mr. Buchanan accompanied the Program Division when it moved from Ottawa to Toronto in 1938, continuing his talks duties. Early in 1939, he applied to be transferred to Ottawa on the ground that the Toronto climate did not agree with his health. He suffered from asthma. It so happened that it was possible to comply with his request because at the same time a division was being made in the handling of the spoken word, Mr. Buchanan becoming Supervisor of Forum Broadcasts and Mr. Hugh Morrison, Supervisor of General Talks. The Forums could then be dealt with as easily from Ottawa as from Toronto.

With the establishment of Public Information, Mr. Buchanan became Liaison Officer with that Department, his title being changed in January, 1940, to Supervisor of Public Affairs Broadcasts.

On November 23, 1940, Mr. Buchanan resigned. His letter of resignation has already been given in evidence; the reply to this letter is now added. Mr. Buchanan had done good work and I regretted his resignation.

C1-3B-8

November 25, 1940.

DEAR MR. BUCHANAN,

I have your letter of November 23rd with enclosure as stated. In accordance with your desire, you are relieved from your duties as from today and you should hand over your papers to Mr. Aylen.

A cheque for the outstanding leave due to you and current month's pay, together with a retiring gratuity, is enclosed.

Yours faithfully,

(Sgd) Gladstone Murray,
General Manager.

D. W. BUCHANAN, Esq.,
Canadian Broadcasting Corp.,
Victoria Building,
Ottawa, Ont.

Mr. Edward A. Pickering

Mr. Pickering began work for the C.B.C. on November 3, 1938. His first job was to undertake a survey and reorganization of the C.B.C.'s publicity service. As Mr. Pickering was not then a member of the staff, payment for this work as reported on page 552 of the Minutes of Proceedings and Evidence, was charged to Object of Expenditure No. 50, Listeners Surveys and Public Relations. When

this was finished, i.e., in March, 1939, Mr. Pickering, joining the staff, became an assistant to the general manager at head office, conducting specified studies and surveys as instructed from time to time.

With the outbreak of war the form of organization which seemed to me to be necessary to smooth working under emergency conditions was not acceptable to Mr. Pickering, whose resignation became effective on October 2, 1939.

Mr. Pickering had had valuable experience in the Prime Minister's office and elsewhere; his considerable abilities were undoubted. Therefore I made a special effort to find a mutually acceptable formula. I was sorry to lose him, but I could not comply with his minimum status requirements in the wartime organization. The correspondence was marked private and confidential.

C.B.C. NEWS AND REPORTS OF SPEECHES IN PARLIAMENT

Mr. Claxton, on June 19, raised the question of the accuracy of C.B.C. reporting of a speech by Mr. Crerar the previous night. Here is the original source copy as provided to us by the Canadian Press:—

Night Lead House—

Ottawa, June 17—(CP)—Resources minister Crerar to-day told the House of Commons that he had been ready since the outbreak of the war and remained ready to support conscription for overseas service at any time he judged it would add to the effectiveness of Canada's war effort.

But another Liberal member, Ross Gray (Lambton West), former chief government whip, entered a plea for immediate action for unrestricted National Selective Service.

He declared the time for action was "now, not six months or a year hence", and he warned that "every nation that has waited to put its house in order when the emergency arose, has fallen".

Mr. Gray was following up an appeal he made earlier this year in the debate on the address in reply to the speech from the throne which announced the plebiscite which was held last April 27.

On that occasion he caused a sensation when he attacked the plebiscite policy and called for immediate action for an unrestricted war effort.

Mr. Crerar, sixty-six-year-old veteran of several parliaments, made an appeal for French- and English-speaking unity.

He pictured the situation if Germany were not defeated in Europe and declared that the ultimate result of German conquest of Europe and all it would entail "would make Canada a part of the United States".

He asked the Quebec Liberals what their position would be in the event that the Dominion became part of the United States.

The French people in Canada have certain privileges and certain rights. They acquired those rights by treaty and as far as I am concerned every right they have in that respect should be recognized and should never be challenged. But those rights would not be preserved very long in this country if Germany triumphed in Europe and Japan in Asia.

In my opinion it would be only a matter of time, and a comparatively short time until we would have to fight not only on the Atlantic coast but on the Pacific coast as well.

Because this danger seems to me outstanding I am willing to go to any length to defeat Germany now—not when she comes to our shores . .

For that reason I have no hesitation in saying that if I had believed, at the outbreak of the war that conscription would have added to the effectiveness of Canada's war effort, I would have been for it.

I will say further that if the time comes when in my judgment conscription would add to the effectiveness of Canada's war effort, I would be for it. I want to make that clear.

Relevant extract from the National News Bulletin, 10.00 p.m. E.D.S.T., June 18:—

The former chief Liberal whip in the House of Commons has appealed for immediate unrestricted national selective service.

Ross Gray, from the Ontario riding of Lambton West, made this appeal to-day in the debate on conscription which has been going on for more than a week.

Another cabinet minister—Mr. Crerar, the minister of resources—made his contribution to the debate, supporting the government's proposal to open the way for conscription when and if it is necessary.

Personally, Mr. Crerar said that he had been ready since the outbreak of the war—and was still ready—to support conscription for overseas service at any time he considered it would add to the effectiveness of the war effort.

Mr. Gray, on the other hand, called for immediate action, on the grounds that every nation that had waited to put its house in order when the emergency arose had gone down to defeat.

Before the debate was resumed, the minister of finance had an announcement to make—that he hoped to present the budget next Tuesday.

EXPLANATORY NOTE ON ABOVE

The editors who write C.B.C. news bulletins, the longest of which are fifteen minutes, have to compress into approximately 2,000 words a complete summary of all important news at their disposal. This comprises news from all active war fronts, and all important developments in London, Washington, and Ottawa, as well as any domestic Canadian news of general interest.

In an average bulletin, with so many active war fronts, war news makes up 80 per cent or more of the news copy. This means that it is often necessary, in reporting important parliamentary speeches, to confine a speech of several thousand words, to a very brief summary of from 50 to 200 words. Such a speech may cover many points, of almost equal significance. Yet the C.B.C. news editor must assume responsibility for choosing, and rewriting in summarized form, one or two things from the whole speech that he considers the most important and most representative of the viewpoint of the speaker. Radio reports of speeches cannot possibly be given in verbatim completeness—that is properly left to the newspapers.

Such a simplification of an address is always incomplete. The parts of it chosen for the radio item are a matter of judgment exercised by the editor. That, too, is something on which opinion may vary.

There is also the consideration that, during parliamentary debates, the various shades of opinion should be represented in an unbiased radio summary. This of course involves both brevity and concentration.

All C.B.C. bulletins are on file, along with the source copy from Canadian Press and British United Press from which the bulletins are written. A careful study of the bulletins will, it is believed, indicate that unbiased news judgment has been shown within the necessary limitations including the factor of human error, against which continuous vigilance is exercised by direction precept, and "post-mortem".

NOTES ON MUSIC

Until the war, Sir Ernest MacMillan and Dr. Wilfrid Pelletier acted as music advisors to the C.B.C. in consideration of an honorarium of \$1,000.00 each annually. The arrangement was suspended for the war period. Both these Canadian musicians acted as consultants. It was not the practice to submit written reports, but frequent consultations were held with them by Mr. Beaudet

the Supervisor of Music and by Mr. Bushnell, General Supervisor of Programs. These consultations took place as, when and where necessary. Mr. Beaudet, for instance, always made a point of having a full consultation with Dr. Pelletier whenever he visited New York, or whenever Dr. Pelletier visited Montreal. Sir Ernest MacMillan, of course, is normally available for consultation in Toronto. In spite of the termination of the official arrangement, both Sir Ernest and Dr. Pelletier continue to make themselves available for consultation. They were consulted, for instance, on the British Ballad Opera Series.

Coming now to what we have done for the encouragement and development of music in Canada, I could give you a detailed list of results, but I think it would save the time of the committee if I referred you to the pamphlet on music in the series "Five Years of Achievement" which, I believe, has been circulated to all members of the committee.

In my evidence in chief I dealt at some length with the steps encouraging amateur musicians and with the methods, proceedings and constitution of various audition boards.

So far as encouragement of professional musicians is concerned, I think it is a fact that there are throughout Canada many musicians who would be unable to devote themselves to their art as a profession were it not for the work which is provided by the C.B.C. When orchestras have been abandoned in the theatres, professional musicians are thrown back on teaching, playing in occasional public recitals, and taking part in dance bands. The C.B.C. has helped to improve the picture substantially. The influence of this on professional "executant" music is recognized by the critics.

Unfortunately financial considerations make it impossible for us to give a substantial living to as many musicians and artists as we should like. If we could afford to pay artists on a scale commensurate with the rates paid by the commercial networks in the United States we would be able to use each Canadian artist say once or twice a month and still provide him or her with a good living. With our smaller resources, we have necessarily to give the artists concerned more engagements to make it worth their while. What we should like to do would be to pay substantial fees to well-known Canadian artists during the winter, so that they could afford to take the summer off for holidays or for concert tours; and during that time we could make use of the services of promising beginners. I should like to add too that but for the C.B.C., I do not think that such symphony orchestras as Les Concerts Symphoniques, the Toronto Symphony Orchestra and the Vancouver Symphony Orchestra and others would survive in their present vigorous form. I know of one case of a chief bassoon player—a good musician but not a top-ranker. He has on several occasions been offered symphonic appointments in the United States, but he knows it is worthwhile for him to remain in Canada because he can rely on steady, if not well-paid, work with us on two or three programs a week. The same is true of players of difficult and specialized instruments such as the oboe and the French horn.

We have made an experimental beginning with a plan which will, I think, be of advantage to artists, and which also should provide a further unifying influence in Canadian culture—it is to switch artists across the country.

In this role we may be acquiring something of the functions of an "artists' bureau" without exacting the customary fees. A case in point is that of the distinguished Vancouver artist, Miss Kitty Hamilton, who, through broadcasting engagements in the east, is brought into direct touch with the music organizations of this part of Canada. Incidentally, by assisting Canadian artists to circulate more freely in Canada there should be an economy in importation and a saving in Canadian funds. But a more important point is the encouragement of representative Canadian artists and musicians that are worthy of Canada.

Mr. COLDWELL: Before we adjourn I wish to refer to an answer which appears in the record (p. 550) based on a return (84C). The answer in the record is "yes" whereas the answer in the return is "no." I gave the return to the reporter at the time. I do not think it was my error. I believe it was an error in copying into the stenographic report.

Mr. CLAXTON: It is important, too.

Mr. COLDWELL: Yes.

Mr. GRAYDON: If any point arises with respect to the treasurer's department, Mr. Baldwin will hold himself in readiness to come back to the committee, I suppose?

The CHAIRMAN: Yes.

Mr. ISNOR: It is understood that Mr. Baldwin is going to explain the difference in these figures?

The WITNESS: Yes. If I gave it to you direct would that be sufficient?

Mr. ISNOR: If it goes through the chairman that would be sufficient.

The committee adjourned to meet to-morrow, June 25, at 10 a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 13

THURSDAY, JUNE 25, 1942

WITNESS:

Dr. Augustin Frigon, Assistant General Manager of the
Canadian Broadcasting Corporation

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

THURSDAY, June 25, 1942.

The Special Committee on Radio Broadcasting met at 10.30 o'clock. Dr. Veniot, the Vice-Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Graydon, Hanson (*Skeena*), Isnor, Hansell, Laflamme, Rennie, Ross (*St. Paul's*), Telford, Tripp and Veniot.

In attendance:

From the C.B.C.: Messrs. Murray, Manson, Findlay, Bushnell, Brodie and Miss Belcourt.

From the Department of Transport: Mr. J. W. Bain.

The Vice-Chairman read a communication from the Treasurer of the C.B.C., dated June 23, addressed to Dr. McCann, answering Mr. Isnor's question about license revenues. (*See first page of this day's minutes of evidence.*)

Copies of a publication entitled "If I ran the B.B.C." by J. B. Priestley, previously requested, were distributed.

Dr. Frigon was recalled, and examined.

With the consent of the Committee, the witness made some corrections in his evidence of June 4, Pages 300 and 359.

Dr. Frigon was questioned in particular on television systems and facsimile broadcasts.

Replying to Mr. Coldwell, the witness read into the record a list showing the private broadcasting stations controlled, operated and owned by Newspapers and Newspaper Companies.

A discussion followed.

The question of revenue from commercials was again discussed. Dr. Frigon was questioned thereupon.

The witness was asked to table the cost of the C.B.C. pamphlets entitled "Five Years of Achievements".

The Committee adjourned until Friday, June 26, at 10.30 a.m., in Room 427, when Major Murray will further be heard.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

June 25, 1942.

The Special Committee on Radio Broadcasting met at 10.30 o'clock a.m. The Vice-Chairman, Dr. P. J. Veniot, presided.

The CHAIRMAN: Mrs. Casselman and gentlemen: we now have a quorum and I declare the meeting open for business. Before we start the program agreed upon according to which Dr. Frigon is to make a short statement correcting certain errors which appeared in the report of previous meetings at which he was heard I should like to read a letter from Mr. Baldwin, the treasurer of the C.B.C. which he addressed to Dr. J. J. McCann. It reads as follows:—

Dr. J. J. McCANN, M.D., C.M.,
Chairman,
Special Committee on Radio Broadcasting,
House of Commons, Ottawa.

Dear SIR:—This morning Mr. Isnor remarked that there was a discrepancy of \$1,107.69 between the figures reported for licence revenue by the C.B.C. and those reported by the Department of Transport for the year ended 31st of March, 1940, and those for the year ended 31st of March, 1941. This difference is explained by the fact that \$1,107.69 of 1939-1940 licence fees was not received by the corporation until after its books were closed for that fiscal year and that this amount was included in the income for the following year.

I do not know how this could have been avoided and it was noted by the Auditor General in his report on the corporation's accounts.

Yours faithfully,

HARRY BALDWIN,
Treasurer.

Mr. ISNOR: It states, "It was noted by the auditor"?

The CHAIRMAN: Yes. We shall now proceed with Dr. Frigon. He wishes to make a short statement correcting certain errors which slipped into the printing of the previous report. Then he will be at your disposal for questioning.

Doctor AUGUSTIN FRIGON, Assistant General Manager, Canadian Broadcasting Corporation, recalled.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, with the consent of the committee, I should like to correct some statements in my evidence as reported in the minutes of proceedings and evidence, numbers 6 and 7.

On page 300, to a question by Mr. Tripp which reads, "I think that is all right as long as we do not get into the position of getting two different definitions of what a Canadian is", the answer is, "Not at all. I am strictly speaking on the matter of program taste. I am not saying that we tell something to one part and something else to another part; I am simply speaking of offering programs which will be listened to with satisfaction and pleasure." The word "not" does not appear in the printed report.

On page 359, the word "campaigns" is used instead of "commercials". My answer to Mr. Claxton should read as follows: "No. The only thing that was said was that, due to too many commercials having to be handled by the national network, we had to set up a group of stations on the alternative network to carry commercials."

In the last paragraph of the same page, "CKY" should be "CBA" and the word "had" in the second line should be "added". The sentence should read: "The reason there is this: before we built CBA and CBK we already had the network there. We added these big stations and it would have been impossible to sell them at what we might call their regular rates."

The CHAIRMAN: Dr. Frigon will be ready to answer any further questions, if there are any.

Mr. HANSON: We seem to be short of material, I guess. I have no questions to ask Dr. Frigon. Somebody else in the committee may have.

The CHAIRMAN: If there are no questions to be asked of Dr. Frigon, the next order of business would be the calling of Major Murray for further questioning.

By Mr. Ross:

Q. I should like to ask a question of Dr. Frigon. We were having a discussion the other day in connection with high power radio and what use it could be in blotting out broadcasts from Germany, for instance. It is a very intricate problem. So I asked Dr. Frigon if he could give to the committee some little idea of just how it works, how it could be used and so on. I do not know whether he has been able to make up some little graph of the thing, or chart.—A. I have tried to devise some graphic way of showing that, and I will admit I have not found anything which would be of much use. It is a very intricate question. Shortwave transmission is, I would say, a very erratic affair. It does not give results that can be predicted very closely. If you are referring to jamming, what is called "jamming" reception, that would mean broadcasting a signal of some sort on the same frequency as the station with which you wish to interfere. The B.B.C. have taken the stand, I think, that it is better for them to use the equipment which they have for broadcasting to other people than to use the same equipment trying to stop their people from listening to other stations. That is one answer. The other answer, as to how we can stop reception, would be to use either low power local stations in a certain number at the location where you want to interfere, or to have a high power station broadcasting on the same frequency some sort of signal and have it interfere with the reception of the other station, wherever they come together. For instance, we noticed here for a long while interference in the reception of the B.B.C. French news at 7.30 at night. The interference was evidently man-made. That is, it was intentional. So I communicated with Mr. Hayes, who is in charge of that service of the B.B.C. He said they also had noticed the same thing, and they thought a station located in Italy was broadcasting in order to create interference with the reception of that service in France. So we in Canada were getting the backwash of what was intended for France. That is just to show how these things are not easily predictable; and of course they cost money. It means broadcasting with a station that is as efficient as the other one, on the specific frequency; but instead of giving a program you broadcast any noise at all—a buzz saw, or hammers or bells, or whatever you want to.

Q. The reason I asked that was this. I asked a question before in the committee as to what other originations there were for broadcasting in the French language. As a matter of fact, the only origination for broadcasting in the French language is in Quebec. Is that not so?—A. Yes.

Q. There is a little from England. How many originations have you got in Quebec? How many programs would you have going on at the same time in Quebec? What choice, in other words, has the listener got?—A. The C.B.C. has practically only one program at one time, although we may have local programs at local stations. Generally speaking, on the French network we have one program at a time; one French program at a time.

Q. One reason I asked that was this. Is it not so that there are broadcasts coming through in French from Germany; that is, propaganda broadcasts coming through from Germany in French?—A. Yes.

Q. Which are very pleasant to listen to and so on. It is very easy to understand this. The man in Quebec has a much smaller choice, as a matter of fact, than the English-speaking man as far as programs are concerned. Of course, the people in Quebec like to listen to good musical programs from the other side. They have that choice as well. What I am getting at is that there are more, in proportion, shortwave listeners in Quebec than there are in other parts of Canada. Would that be so, do you think?—A. I do not think so. I do not see any reason for that.

Q. You would not think that was so?—A. No.

Q. On the other hand, I do not think the people in the English-speaking provinces listen to the shortwave to the same extent that the others do. They will not be bothered with it. On the other hand, a man in Quebec turns his dial to shortwave and he gets a very good broadcast when he wants it.—A. I do not think that statement is right, in the sense that I never heard of anybody in Quebec being in the habit of listening to shortwave stations from anywhere. There might be some, of course. But I do not think it is at all general in any sense.

Q. Well, that makes a difference, of course. But I was informed, as a matter of fact, that there was a good deal of it; and that is why I bring it up. That is why I was so anxious to know what could be done in order to counteract that insidious propaganda which is coming over the radio all the time. Is there any way that you can do that? You cannot do it just now, I suppose?—A. You can do it, as I said before, if you broadcast from a local station—I mean, locally in Quebec, for instance—a signal on the same frequency that would create interference, and it would become difficult at least in certain points in the province to listen to German receptions.

Q. Has it ever been thought that it should be done? Has it been discussed? Or is it part of your program to do that? Do you think it should be done or do you think it should not be done?—A. We certainly never considered the question ourselves. We never considered doing it ourselves, the C.B.C.; I know that. I would think personally—and this is strictly personal—that rather than spend money on that, we should spend more money on programs that will reach Canadians in Quebec, instead of trying to interfere with a few people who may be listening to foreign broadcasts.

Q. Last night, speaking in the house, Mr. Picard made a very interesting speech, I think. He said that there was not sufficient education by way of removing certain prejudices the French people had—certain, I do not know just how to express it but you might say certain prejudices or antipathies. You know what I mean, Dr. Frigon?—A. Yes.

Q. What are you doing in connection with that? Are you spending enough money to take care of that? In view of the speech made by Mr. Picard last night in the house, it seems to me it should be brought to your attention.—A. My answer to that is that I do not believe that the French network is any worse off than the national network in that respect. We spend as much time on our network on so-called war programs as the national network. I gave in my evidence a long report where I pointed out that since the beginning of the war we have carried,

on the French network, at least 5,600 programs which may be called strictly war programs—speeches by important men such as Mr. Churchill, Mr. Roosevelt, Mr. King and so forth; also quite a number of programs produced by us for the particular purpose of informing the public of Quebec of the different phases of the war program.

Q. I think when you get time you might read the honourable member's speech in the house last night.—A. I talked with him on that subject the other day.

Q. Yes?—A. And I think I succeeded in showing him that it was not exactly the way he saw it; because rumours circulate and things get emphasized and exaggerated. But on the Quebec network we have a great number of programs designed especially for war purposes and directed to the purpose of informing the public, from programs in history to programs in science, sustaining programs of an entertainment value, with special mention of war programs. As I said the other day, we have one particular program which was started some two months ago which is broadcast every day, five times a week, from 7.45 to 8 o'clock, one of the best spots in the whole day, which has been designed especially to talk about the war and all the questions related to it.

By Mr. Coldwell:

Q. Who designed the program, Dr. Frigon?—A. The man writing the program is Mr. Grignon, who also writes *Pour Plus Ample Information*; and it is produced by us, by our staff.

Q. As far as we have been able to find out, there is no co-ordination in a very direct way of these programs between the Bureau of Information, Mr. Lash's department and the C.B.C. Is that true of this particular program? Is it an independent program produced by the C.B.C. or is it produced in co-operation with Mr. Lash's department?—A. It is produced by us exclusively. But we are in almost daily contact with them. Mr. Melançon is there to get the material to introduce.

Q. That is what I wanted to know.—A. Yes. We do that right along. We are doing that right along since the beginning. We are also in contact with Mr. Melançon. We write to each other and telephone.

Q. But there has been no co-operation between, we will say, the various people interested in information and the minister? There has been no organization set up to consider the type of material that should be put on the air in these war broadcasts. Is that not so?—A. I have personally discussed the matter with the minister a number of times.

Q. Yes?—A. We tried to do something more. We would like to have possibly some more information put on the network.

Q. The thing that has struck me—and this is quite a friendly criticism; I do not want you to take it in any other way—is that it would be well perhaps if we had some committee representing the broadcasting corporation and the information bureau, under probably the chairmanship or in co-operation with the minister, to decide what line of action should be taken in regard to all our war education. That does not seem to have been done at any time, not even at the beginning of the war. It seems to me that these organizations are working independently of one another, except for informal conversation in which you discuss it personally.—A. Of course, a committee would be very helpful, no doubt. But the purpose of the committee is filled now; as I said, there are almost daily contacts with the information bureau.

Q. That is, you get your information from them?—A. We have had programs produced by them. For instance, we are doing one which is going on, *Pour Plus Ample Information*, which is a program organized by the information bureau. We have offered to carry their programs any time they

wish. They have had the same difficulties we have had. They have had difficulty in finding the proper person to do the proper program at the proper time. They have had the difficulty of securing the type of information that would be useful and I would say attractive at the same time. You must realize that these things must have an appeal to the public and they must be listened to with interest. You cannot force people to listen to a broadcast, not matter what it is. It has to be entertaining, so that they will listen to it for the satisfaction of listening to a good program. When you have done that, then you introduce into the program whatever should be there. We do that right along and we have been doing that since the beginning. I pointed out that one of the first things we did in the fall of 1939 was to have a set of thirteen broadcasts done by a very well-known Montreal historian who spoke about the war, with a historical background. In those thirteen lectures he established very fully that the Germans were always Germans, and that the war this time is just another of their wars. He did that with very solid historical facts in the background. His delivery was not as good as it might have been. That is the trouble. But his work was splendid.

Q. I do not know how this would work. Did you ever consider getting a first-class man of this description to write the material and having a good voice to put it over in his name?—A. Yes. That is being done now by Mr. Melançon with this program *Pour Plus Ample Information*. The material is very often written by his own office. If you want to do that you must have a voice which is not a regular broadcaster's voice. It should be one with some sort of specific character. It cannot just be a commercial man.

By Mrs. Casselman:

Q. Amateur rather than professional?—A. Well, I have been trying for months to build up a program somewhat by that method.

By Mr. Coldwell:

Q. To what extent do you use French Canadians who have been overseas and made something of a name for themselves on the system in Quebec?—A. You mean broadcasts of soldiers?

Q. Yes. I do not mean just messages from across the sea.—A. No. I could not tell you the exact number of them, but we have had many of them speak over the microphone. I do not know exactly how many. We never miss a chance to do that.

Q. No.—A. I would repeat that the gossip to the effect that there has been something wrong with the French network with respect to the war effort is almost ridiculous. There is no sense in that at all.

Q. That is something which is very prevalent.—A. I know that.

Q. That is one reason some of us have asked a number of questions, because we have heard a great deal about it. May I say I had no personal knowledge of it because I cannot follow French sufficiently well.—A. There are two answers to that. First of all, I deny very strongly the rumour that we have been in any way lacking. I would add that it is not easy to do exactly as you would like to do, and that applies to all networks.

Q. It is very difficult to make an educational broadcast of this description sufficiently attractive. I think that is one of the difficulties.—A. I could give you this example. I have been trying for months and months, probably two years now, to build up on the French network a five to fifteen minute broadcast spotted at the best period of the day, to bring to Quebec—or for that matter it could be used on the national network—I would say the official news and comments from Ottawa in French. You may have a statement made in the house about the rubber ration. Well, we would cover it in a number of short broadcasts the whole background of rubber to show the public

what the position was. That has to be done very effectively to be accepted by the public. If it is just another talk, they will not get it. They will just turn the dial and listen to a jazz band rather than listen to it. There has to be great efficiency in the presentation, in the voice; and the material has to be there. You have to secure the material. At times the broadcast would have to be a last-minute affair, because some news might come out of Ottawa in the afternoon and we may wish to put it on the air at night. We are still trying to build it up. It seems extremely easy to do that; but when you come to actually doing it, it is not so easy. We have had a number of people whom I have interviewed, trying to get them to accept or take a job. Well, they all, for some reason, cannot do it. You may have people offering their services, but you do not want them because they have not got the proper voice, the proper talent or the proper background. But I would like you to be convinced that we are doing the very best we can.

Q. But what about the use of material that is coming out of France just now? I mean, as to the treatment of hostages and people in internment camps and so on. I have heard some very interesting stories over the B.B.C. several times. I wondered if those were available in French from London by record or whether you could use them or whether you are using them. I do not know.—A. We are not now. My attention was called to that some couple of months ago and I inquired. I listened to one program which was pointed out to me as an outstanding one. The program I heard did not suit us because it was simply a repetition of the B.B.C. French news with a very short talk introduced in the middle. I heard some weeks ago, just before this inquiry started, that the B.B.C. had shipped or sent to Ottawa here recordings of that type of program. I got in touch with the Free French organization which had those records, and I have been trying ever since to sit down and listen to them for four or five hours, to see whether they would be suitable or not. You have the story of the last five weeks or so. We have not got up to that yet. But it will probably be that there is some program material there which we would like to have. The matter is to get to it and get somebody to sit down and listen to it.

Q. The trouble is that when it gets old, it gets out of date.—A. Yes. But it is coming in all the time.

Q. I did not realize that only records were being sent. I thought perhaps you had a direct beam and picked it up as you do the radio news reel, for example, from the British studios and that they could be put on in that way. I did not know only records were sent across from Great Britain.—A. Well, there was that program *Honneur et Patrie* which was mentioned frequently, which was beamed and could be picked up in Ottawa; that is one program I told you about. That is one sample that in my estimation was not the right thing for us because it was a repetition of what we already had.

Q. What are those other programs which are recorded and sent over?—A. Well, I do not know. I have not got any descriptions of them. I understand they are mostly talks; they are spoken programs. I will admit that there are undoubtedly some there that we would be very pleased to have. But unfortunately, up to this very moment, we have not been able to get to the job. It would be doing something, of course, that would be just a supplement of what we are doing now or replacing what we are doing now.

Q. You have no committee which decides on the type of program? You decide that yourself, do you?—A. Well, it is our personnel which looks after it. Our French personnel will listen to the records. I would not sit down and listen to all of them, but they consult me as to what I think about it.

Q. The final decision would be with you?—A. I do not mean that I would listen to every record that goes on the air.

Q. To spend four or five hours listening to those records seems, from the point of view of a man in your position, rather a waste of time when perhaps you could have a committee which could pick out two or three outstanding records.—

A. Well, somebody intelligent should listen, should hear all the records.

Q. Surely you have somebody intelligent other than yourself?—A. They are all busy; very busy.

By Mr. Graydon:

Q. You are the only intelligent man that is not busy. Is that it?—
A. Probably that is it.

By Mr. Ross:

Q. Before you leave, Dr. Frigon, I should like to ask you this. You have reports of these propaganda talks from Germany. It has been brought to my attention and that is why I am a little insistent on it. I think you get reports of these. Have you listened to them yourself? Have you ever heard them?—A. I have listened to probably two or three since the beginning of the war.

Q. Any of them recently?—A. No; not for over a year, at least.

Q. If you had, I was wondering what your reaction would be to them or what you would think the reaction of the French public would be?—A. Well, those about which I have heard are extremely well built programs. There is no question about it. They do spend the time and intelligence required to put them over. There is no question about it.

By Mr. Hansell:

Q. You have been talking more or less about war programs and war news. There are other types of Canadian news, even political news, especially while parliament is on, which are interesting to the public. Might I ask if there has ever been any interference that you know of from the government or government officials in respect to the broadcasting of news?—A. No; not that I have heard of.

Q. Of course, I did not expect that you would answer in any other way.—
A. Well, it is a fact that I have never heard of any interference.

Q. I have this in mind. I do not infer now that there was any interference at all. I do not think that there was. But as a listener one might think there had been. Some Sundays ago I came up to the house and noticed on the bulletin board that Mr. Cardin had resigned. The next news broadcast I could get was Sunday evening, the C.B.C. I listened in and heard nothing. A half hour afterwards I turned my dial to a private station and got quite a bit of news on that. There may have been some news given before—I do not know—at a previous broadcast. I thought perhaps there might have been. I wondered at the time what many people listening in would think. You know there is a type of mind that just thinks that government and politics are just as crooked as a dog's hind leg anyway. I just thought to myself, "I wonder how many Canadian people now, in my position, would have thought that perhaps there was some interference there?" The C.B.C. did not put over the news. The private station did.

Mr. COLDWELL: Did the C.B.C. put over a flash during that day?

By Mr. Hansell:

Q. I do not know. I am only giving you the picture that was in my mind. I thought afterwards that the C.B.C. might have been advised that it might have been advisable for them to have said, "We have no further news on Mr. Cardin's resignation." That is, if they had put a news item over on a previous broadcast.—A. Well, I can assure you that there was no interference at all exercised on the

Montreal news room; and I am positive that applies to the national news room also. The private stations may have some news that we do not carry. There may be different reasons for that. Sometimes we are blamed for what they say. Of course, we have no control of what they put on the air. The news writer has to exercise judgment as to what news to emphasize, what should be given out in a certain way. But in doing so, he is not influenced in any way by anybody. It is strictly newspaper work.

Q. I have no criticism of the way the C.B.C. puts over the news. I think it is handled very, very well. I believe their announcers are past-masters at reading. I like this man Lorne Green. I think he has a marvellous voice. Incidental to that, in respect to questions asked a little while ago or discussed a little while ago, in reference to having some one else read another man's work, may I say that there is no particular objection to that. But I am sure the C.B.C. knows, as much as the rest of us do, that there is personality in voice, even though you do not see the person. Even though the person has not much personality, his voice may have. There is a lot in that. By the way, this is the question I had in mind. I was not here the other day but I read the evidence; and Major Murray was saying that a conference was to be held with the newspaper organizations with respect to payment for news. Will we be hearing, Mr. Chairman, a further report on that later from Major Murray?—A. I think Major Murray will take care of that.

Mr. HANSELL: There are one or two questions I should like to discuss under that.

By Mr. Graydon:

Q. Dr. Frigon, speaking of voice personality on the radio, I know that perhaps the outbreak of war has interrupted the development of television to some extent in view of general conditions. Would you be good enough to tell the committee what developments have taken place with respect to television and how close, were it not for the war, we would be to adopting in this country the development which has taken place in television as related to our broadcasting system?—A. Well, television is an extremely costly affair.

Q. It is?—A. Yes. I might put it this way. The last time I was in England in 1938, I paid a visit to Sir John Reith, who was then director of the B.B.C. When I got into his office the very first words he said to me, even before he welcomed me, were "Do you do any television in Canada?" I said, "Not yet." He said, "Good for you." By that he meant that it is extremely costly, and we are not prepared to do it here. We were not prepared before the war and I do not know whether we could tackle it now or not. Television is costly because you must practically produce a program for each station. It cannot at present be easily done on the network; that is, all stations carrying a program from one studio. I think the program itself is more expensive. You must have costumes and scenery. It takes many more people to handle the show. In an ordinary broadcast, you may have two, three or four people to handle the show. In a television broadcast it takes fifteen people or so—technicians, operators. You have lights to operate. You have cameras to operate, and the mixing outfit. It is a big job.

Q. Then, of course, you have, in addition to your other difficulties, the fact that there are scarcely any radio receiving sets that are capable of receiving or operating under a television system, I suppose?—A. Well, of course, if we were to start a television station, experimentally, gradually people would start buying sets in Canada. But the problem which is holding back the whole thing is the matter of cost.

Q. What about the United States? Have they made any advance in regard to that?—A. Even there in the States, they only cover New York and a couple of other very large cities. In England it is only London; in Germany, I think it is only Berlin that had a really good television system before the war.

Q. Is there a television system in London?—A. Yes; a very, very good one. But even there, only the city of London has its television system. There was nothing in Scotland, Ireland or anywhere else.

By Mr. Coldwell:

Q. What is the radius of television, would you say?—A. Well, it is a matter of technical discussion. You might say it is fifty miles, according to the height of the aerial. I think the one from the Empire State Building in New York reaches to easily fifty miles or maybe a little more.

Q. It is a very short distance?—A. It may be thirty, thirty-five or fifty miles. It all depends on the local conditions, the height of the aerial, the power of the equipment and many other factors. But it is decidedly limited.

By Mr. Graydon:

Q. You would have to exercise great care in changing the policy with respect to television, I should think, in view of the additional expense that would be involved?—A. Yes, of course. You can do television on a small scale, with cheap equipment; but the public would not be interested in that. You cannot give to the public anything but the best in a television system you may acquire and use. England tried two different systems for quite a while before they chose one, and they simply discarded the first one. I think, to sum it up, that it is a matter almost exclusively of finance. Of course, to cover the cost of carrying television it would mean either very much increased licence fees or commercials. I doubt that many firms could afford to pay the cost of television to advertise their goods in Canada. It is all right for New York, London, Paris and Berlin, where you have very large concentrations of people. But even in New York it has not been commercialized yet.

By Mr. Coldwell:

Q. About the only way you could use a television broadcast would be to broadcast films, would it not? I mean in view of the cost of scenery, costumes and supernumeraries.—A. Even at that, it has its limitations. You have a film in the moving picture houses which will be there for a week. On the station it will be there for fifteen minutes and that is the end of it. You cannot repeat your film on the television station indefinitely. It will be used just a limited number of times. In the start they got their films all across the country, averaging one to three weeks or a month. Television is a different problem. The greatest advantage of television is for actualities, for sports. It is really wonderful for that purpose.

Q. I imagine the film industry or the moving picture people themselves would be very much opposed to broadcasting films too.—A. Well, I suppose so.

Q. It would cut down their patronage.—A. Of course, they may do as the theatrical people did with the films. They simply changed their business and go into that business. If it came out on any scale, I can very well see, if ever television is a practical thing from the point of view of cost, there is no objection to the film industry organizing itself to meet that demand.

Q. The film industry could do that, but I am thinking of the moving picture theatres. The moving picture theatres, of course, would not want films broadcast by television or people would not go to the moving picture theatres. They would simply sit at their homes and see the film on their own radio set.

Mr. BERTRAND: It might be a good thing if films which had already been shown were to be broadcast to foreign countries.

Mr. COLDWELL: They would not be acceptable to people generally. They would want the latest thing.

The WITNESS: That would apply, of course, to people more or less isolated, just where you cannot have a television system.

By Mr. Coldwell:

Q. That is what I say—where you cannot have it. I suppose there is a great deal of experimentation still going on.—A. Oh, there has been a great amount of money spent on that, both in research and in experimentation.

Q. You had a very interesting gadget here several years ago in the railway committee room, the broadcasting of a newspaper.—A. Facsimile?

Q. Yes, facsimile. Has anything further been done regarding that?—A. That is something which may develop some day. It has not reached out very far yet. It has been used in the States on many stations. It has its possibilities, its advantages; but it has its limitations, of course, also. We have not tried it here in Canada yet—I mean, from a broadcasting point of view.

Q. That is where radio competes with the film industry and with the newspaper in the final analysis. I imagine that is one of the reasons newspapers are trying to get hold of broadcasting stations.—A. Facsimile is much more within reach in regard to the matter of cost than television is. Facsimile is not costly at all. It is a very simple matter.

Mr. COLDWELL: Yes. You sit at home, and next morning you go down and tear off your newspaper.

By Mr. Coldwell:

Q. How great is the radius of facsimile?—A. The same as in a normal broadcasting station.

Q. Not more?—A. No. I mean it is the same as a normal broadcasting station, not a television station. It is broadcast on the same band, on the same frequency.

Q. Then it has quite a large radius?—A. Yes.

By Mr. Graydon:

Q. Are there any areas in Canada, other than the Prince Rupert area which has been before the committee before, which are having difficulties in proper coverage so far as the C.B.C. is concerned?—A. There are some far out places; we are correcting the situation just now in the Abitibi district in Quebec by building stations at Amos, Val D'Or and Rouyn. There will still be some intermittent points where they will not have first-class service. There are a few sections of the country where they have no service at all I believe; however, we are doing what we can to correct that through improving the strength of signals and getting away from local interference and that sort of thing. If you have in mind Aklavik, and that part of Canada; of course, they do get service from some stations, but we would not try to cover all areas such as that.

By Mr. Isnor:

Q. What is the C.B.C. doing to correct the situation in Nova Scotia at points from which complaints have been received; for instance Yarmouth, and one section of Colchester county?—A. Well, the new station CBA is doing exactly what we expected it would. We had measurements made on the ground and predicted the area which would be covered by CBA and we have obtained that coverage. I might say, however, that the primary area of CBA does not reach quite to Yarmouth or Sydney; so we need local stations at those particular points to take care of our programs.

Q. Have you reached that section between Halifax and Truro; there were complaints from the Halifax side down to Truro?—A. You know that matter of coverage is always a very ticklish problem because so much depends on local conditions. You may have a man in Truro who cannot get CBA at all and a man fifty miles away will have perfect reception; and the reason for that is the

presence of local interference, one man might get perfect reception while the other could not on account of local interference at that particular point; or, perhaps you would not have a sufficiently strong signal. That is quite possibly the explanation of Truro, or between Halifax and Truro, or any similar points.

Q. Yes, all the way between Halifax and Truro, I would say?—A. Yes, but between Halifax and Truro there should be no reason why reception should not be good.

Q. There should not be any interference there, it is a rural district.—A. You are right.

Mr. COLDWELL: Soil conditions have something to do with it sometimes.

The WITNESS: Oh, yes, they are extremely important; for instance, with the same power and with exactly the same type of equipment you would get different reception in different areas. You might find difficulties with a station like CBA in the maritimes, but when you go to the prairies with a new station like CBK you get very good coverage; and at the same time you might run into difficulties in British Columbia in the interior.

Mr. COLDWELL: CBK has a most remarkable coverage.

The WITNESS: Yes; undoubtedly soil characteristics are a factor. That is one thing which is giving it exceptional coverage for its power.

Mr. COLDWELL: Yes, the most exceptional of anywhere in Canada.

The WITNESS: Or, anywhere in the world for the power of the station. Yarmouth, of course, is not within what we call the primary area of CBA, but Yarmouth does get some service from CBA; I am not sure that it is good service all the time, but it is most of the time. It is one of those situations where you cannot guarantee that everybody in Yarmouth will get first-class service all times of the year; there may be some spots in Yarmouth where local conditions would be such that reception from CBA is not as good as you may wish.

By Mrs. Casselman:

Q. Would the fall of the year, or clear weather, make a difference in reception?—A. That does not affect transmission.

Mr. COLDWELL: This is a bad city (Ottawa), this particular area in which to get coverage.

The WITNESS: Of course, here in Ottawa you have a good deal of lightning interference at times; it is known for that, it is very bad for lightning and the power companies know about that. During a storm you are liable to have more difficulties here than at other points.

By Mr. Isnor:

Q. I meant to ask Major Murray when he was before the committee this (I do not know whether anyone else has asked it or not), but perhaps you could answer it: what arrangements have you with regard to schedules of private companies; do they submit their programs to you for approval? I have in mind news bulletins; this morning we listened to the regular C.B.C. news broadcast at 8 o'clock and another one on CKCO at 8.15; and it struck me that there being a continuous half hour of news report that some better arrangement might be arrived at between the C.B.C. and the private companies in certain districts so as to avoid a thing of that kind.—A. Major Murray might answer that better than I can, but I may tell you that we have tried to distribute the news in various districts more conveniently but it is an extremely difficult thing to do; first because the sponsor wants to be near the time which is supposed to be best for the purpose of contacting the listening public; and there is also the factor that each station has certain commercial commitments which are difficult to handle like that. Eight o'clock in the morning is a very good spot; so it 8.15; 9 o'clock is a little late; so every station tries to get in to the desirable time.

Q. The same thing applies in the maritimes in regard to one or two stations on the evening programs; I was just wondering whether you had taken that matter up when the managers of private companies met your board here in Ottawa?—A. That has been discussed by the board and I think Major Murray might wish to enlarge on it; but it is admitted that it would be better to spread the news bulletins over a greater range of time than is the case at present, thereby avoiding crowding and over-lapping.

Mr. COLDWELL: You are, of course, familiar with the situation here in Ottawa where you have the C.B.C. giving the news at 8 o'clock in the morning followed by CKCO at 8.15; and then the C.B.C. news again at 9 o'clock and CKCO following at 10.30; and then in the evening you have CKCO coming on at 6 o'clock followed by CBO at 6.30; and later on again CBO comes on with the national news summary at 10 o'clock and that is followed by the CKCO news broadcast at 10.30 p.m.

The WITNESS: It is not as bad as you may think; because, after all, people get into the habit of listening to a news service and I do not think it causes any great annoyance to the public. Some people listen to every bulletin in the day on all stations; others get in the habit of listening to one station only. And, if a person missed the 8 o'clock news bulletin on CBO he can turn to CKCO at 8.15. I do not think it is really bad broadcasting practice to have them follow that way. Of course, in the United States it is much worse and in New York city you have a practically continuous news broadcast.

Q. It is really not so difficult?—A. No.

By Mr. Hansell:

Q. I have a question which may not be in your department either: recently a regulation has been passed regarding appeals for money over the radio; do you know anything about that? I have one letter here from a gentleman who complains that his church, or some religious broadcast that he listens to is unable any further to appeal for contributions. What is that regulation, do you know?—A. I know very little of that, frankly; that has been taken care of by Major Murray.

Mr. HANSELL: Perhaps Major Murray would keep that in mind when he comes before us.

Mr. GRAYDON: What station would that be?

Mr. HANSELL: He didn't give me the station.

Mr. GRAYDON: Would it be in Alberta?

Mr. HANSELL: It is not in my constituency, it would either be Edmonton or Calgary.

Mr. GRAYDON: It would be more likely to be Calgary.

Mr. HANSELL: It is, evidently. I get your point.

Mr. COLDWELL: I didn't get it at first, but I do now.

The CHAIRMAN: Mrs. Casselman and gentlemen: I have just been informed that Major Murray has a statement to make and if there are no further important questions to ask Dr. Frigon perhaps in order to expedite the business of the committee we might release Dr. Frigon and have Major Murray.

Mr. COLDWELL: I would like to ask Dr. Frigon one or two questions and I was just waiting for an appropriate time.

By Mr. Coldwell:

Q. I was going to ask how many radio stations in Canada are controlled by newspapers, newspaper proprietors or newspaper companies?—A. I can give you a list. It will be available in just a moment.

Q. I was going to follow it up by saying if some of these companies own several stations—Dr. McCann mentioned Mr. Thomson, I do not know who Mr. Thomson is, whether he is a newspaper proprietor or not—as being interested in several stations and I notice a rather critical editorial in the *Kingston Whig-Standard*, the editor was criticizing me for a statement I made regarding profits of private stations and I fancy the *Whig-Standard* must have some interest in a radio station themselves, although I am not sure of that.—A. There are companies or individuals who own many stations or control or operate them.

By Mr. Bertrand:

Q. How many stations are operated or controlled by that outfit?—A. I will give you the list of stations owned by newspapers now:—

STATIONS OWNED BY OR ASSOCIATED WITH NEWSPAPERS

The following stations are owned outright by newspapers:

- CHLT—Sherbrooke. Licensee—La Tribune Ltee. Newspaper—La Tribune.
- CHLN—Three Rivers. Licensee—Le Nouvellist Ltee. Newspaper—Le Nouvellist.
- CHLP—Montreal. Licensee—La Patrie Publishing Co. Ltd. Newspaper—La Patrie.
- CKAC—Montreal. Licensee—La Presse Publishing Co. Ltd. Newspaper—La Presse.
- CFOS—Owen Sound. Licensee—H. Fleming. Newspaper—Owen Sound Daily Sun-Times.
- CFPL—London. Licensee—The London Free Press. Newspaper—The London Free Press.
- CKSO—Sudbury. Licensee—W. E. Mason. Newspaper—The Sudbury Star.
- CKCK—Regina. Licensee—Leader Post Limited. Newspaper—The Leader Post.
- CJCJ—Calgary. Licensee—The Albertan Publishing Co. Newspaper—The Albertan.
- CKLN—Nelson. Licensee—News Publishing Co. Ltd. Newspaper—The Nelson Daily News.
- CFJC—Kamloops. Licensee—Kamloops Sentinel Ltd. Newspaper—Kamloops Sentinel.

Then there is a list of stations associated with newspapers or individuals or companies having newspaper interests:—

- CHNS—Halifax. Licensee—The Maritimes Broadcasting Co. Newspaper—Halifax Herald.
- CHSJ—Saint John. Licensee—The New Brunswick Broadcasting Co. Newspaper—The Saint John Telegraph Journal and The Evening Times Globe.
- CKVD—Val D'Or. Licensee—La Voix D'Abitibi Ltee. Station operated by Northern Broadcasting and Publishing Co. Ltd.
- CKCH—Hull. Licensee—La Compagnie De Radiodiffusion. Station is under management of the newspaper Le Droit.
- CKRN—Rouyn. Licensee—La Compagnie de Radiodiffusion. Station operated by Northern Broadcasting & Publishing Co. Ltd.
- CFRC—Kingston. Licensee—Queen's University. Associated with Kingston Whig-Standard.
- CKGB—Timmins. Licensee—R. H. Thomson. Station operated by Northern Broadcasting and Publishing Co. Ltd. and closely associated with the Timmins Daily Press.
- CJRC—Winnipeg. Licensee—Transcanada Communications Ltd. The above company is associated with the Sifton Newspaper interests.

CJRM—Regina. Licensee—Transcanada Communications Ltd. The above company is associated with the Sifton Newspaper interests.

CJCA—Edmonton. Licensee—The Southam Company Ltd. Station is closely associated with the Edmonton Journal.

CFAC—Calgary. Licensee—The Southam Company Ltd. Station closely associated with the Calgary Herald.

CJVI—Victoria. Licensee—Island Radio Broadcasting Co. Station closely associated with Victoria Colonist.

CHEX—Peterborough. Licensee—Peterborough Broadcasting Co. Ltd. Station operated by Northern Broadcasting and Publishing Co. Ltd. Station is associated with Peterborough Examiner.

CFCH—North Bay. Licensee—R. H. Thomson. Station operated by Northern Broadcasting & Publishing Co. Ltd.

CJGX—Yorkton. Yorkton Broadcasting Co. Ltd. Associated with Dawson Richardson Publications.

By Mr. Bertrand:

Q. Is there any mention of the Quebec station in Quebec city; there are two there, I think; they are both operated by papers?—A. They are not owned by newspapers although I think there are some common directors.

Mr. COLDWELL: That is a very formidable list.

The WITNESS: There are twenty-six all told.

Mr. HANSON: The Vancouver *Sun* of Vancouver has one, hasn't it; and the Vancouver *Province*?

The WITNESS: That is off now, it has been off for eighteen months or two years now.

Mr. HANSON: They are still broadcasting.

The WITNESS: It is not owned by the Vancouver *Sun* though; there was some other arrangement there.

By Mr. Coldwell:

Q. A newspaper proprietor who owns quite a large newspaper in this country remarked to me one day that the newspaper business is not so very prosperous nowadays, the way to make money, or to be prosperous, have it profitable is to get hold of a radio station; he said further that that is what most of the newspapers were doing, that that was the big end of the business to-day; and this seems to me to be a very dangerous situation because the newspapers are coming more and more into the control of a few organizations across the country and they are rapidly developing a monopoly of what might be termed public opinion control, which in my opinion is a very unhealthy thing for a country like ours. I was going to follow that up with this: a number of new bands have been allotted in the last few years?—A. You mean broadcasting bands?

Q. Yes.—A. The 1500 and 1600 classifications were added to the normal bands.

Q. Was that because the other bands were pretty well taken up in this country?—A. Because the standard bands were over-crowded.

Q. Following the Havana agreement certain wave lengths were allotted to Canada?—A. That is not quite so; under that agreement the whole North American continent is considered as one unit; there is no such thing as an exclusive frequency now as before.

Q. Were the frequencies on certain powers allotted to Canada?—A. There were frequencies allotted to Canada which are protected within Canadian territory in the sense that they cannot be interfered with by outside stations within Canadian territory.

Q. And the stations using some of these wave lengths are quite powerful?
—A. Yes.

Q. And some of those have been allotted to the newspapers, is that not so?—A. Yes.

Q. Since the Havana agreement I wonder how many have been allotted to newspapers?—A. None of those channels intended for Canada, or frequencies, have been allotted to newspapers.

Q. Well now, the newspapers had some of those channels before, did they not?—A. Well, before that they had exclusive frequencies; but that has disappeared now in the pattern.

Q. They have been granted additional power?—A. No.

Q. Not since that time?—A. Not over 1,000 watts, none of them.

Q. You are holding them down to that power?—A. Yes.

Q. I think Major Murray has already given us this figure; how many new licences have been issued in the last three or four years—say, from the beginning?—A. I think there have been twenty-one.

Q. It would be interesting I think to find out just what proportion of the time of the corporation for the last two or three years has been taken up with presentations from private broadcasters for power and channels and so on; I think perhaps one of the reasons why the corporation has, as I see it from the evidence that has been given, failed in some respects, is because so much time has been taken up with the matter of private stations, channels and so on?—A. I hardly think so, because from the very beginning the corporation decided that no new stations above 1,000 watts should be granted in Canada, and that the stations which were then above 1,000 watts would be permitted to remain on that power. Since that time our applications come, as Mr. Rush stated in his evidence the other day, to the joint committee of technical experts, and when we come to an application that requests the privilege of going over 1,000 watts automatically they are told their application cannot be allowed because it is against the policy of the corporation, and that ends it.

Q. I see.—A. And the report goes to the board and it is confirmed. For the last three or four years there have been none, and there has been no attempt to obtain more power.

Q. And a check is made by Mr. Rush; that is, they have to do with power?—A. It is automatic. The technical committee deals with a number of points such as that, that no station should be allowed to go over 1,000 watts; and if an application was to come in with such a request it would be treated in the way I have indicated; it would be passed on to the board with the observation that it was against the policy of the corporation.

Q. Just one other question and I think I am through: how many stations are controlled by any of these organizations?—A. I have a list here. The Taylor, Pearson and Carson groups control eight stations. They are:—

CKOC —Hamilton
CJCS —Stratford
CKCK —Regina.
CJCA —Edmonton
CFAC —Calgary
CJOC —Lethbridge
CKWX—Vancouver
CJVI —Victoria

By Mr. Bertrand:

Q. What is the name of this group?—A. Taylor, Pearson and Carson of Calgary.

Q. Is that firm located in Regina?—A. No, it is located in Calgary.

Q. It is a commercial enterprise?—A. Oh, yes.

Q. You do not know whether any of the officers of this company live in Ontario or British Columbia; they must live, I suppose, around Calgary; you do not know what kind of a firm it is?—A. I think they are mostly Calgary people. Mr. Carson is the operator.

Q. And he operates a station in the Hamilton area?—A. Yes.

By Mr. Tripp:

Q. Have these people any other business or are they strictly broadcasting people?—A. I think practically their whole interest is in broadcasting.

Mr. HANSELL: I believe they do some retail equipment work too.

The WITNESS: I am told that they have some other business in Alberta, I think it has to do with automobiles.

Mr. HANSELL: Yes, they have a business in Lethbridge.

By Mr. Hansell:

Q. Do the Taylor, Pearson, Carson Company own the licences for these stations?—A. No, they are operators, they are operating these stations for the owners.

Mr. HANSELL: That was a question I asked the other day and Dr. McCann asked it also. You see, here is a broadcasting corporation whose business is broadcasting. The owner of the licence may have nothing to do with broadcasting whatsoever but simply own the licence. In these cases lots of them perhaps, I think, are owned by newspapers with the newspaper not interested in broadcasting as a business at all; they simply hold the licences while another corporation operates them. There is a little bit of a monopoly here you will notice; the broadcasting corporation does not own the licences but it controls the stations and puts the programs on over the stations. I might say in that connection that it is obvious that the one who owns the licence perhaps has a good deal of control in respect to what should go on over their stations even though it is another corporation that handles the programs. I can see a danger there; here is a company, in this case it happens to be newspapers but it might be any other company, it might be a set of individuals interested in a certain line of business; well, any broadcasting corporation which owns no licences may operate these stations and they could very well say, hold on boys you can't put anything over this station that is detrimental or harmful in any way to our business; in that event these broadcasting stations could become stations for the benefit of this business or that business, quite apart entirely from broadcasting.

Mr. BERTRAND: Before the radio committee a few years ago we had a gentleman from Toronto and he came here and declared that he was the proprietor or was interested or held shares in forty-seven publishing companies, forty-seven newspapers and magazines; I think that is rather a monopoly.

Mr. COLDWELL: It is a very unhealthy situation. That is only one, what about others?

The WITNESS: I will complete this list for you. Next is the R. H. Thomson:—

CJKL —Kirkland Lake
 CKGB —Timmins
 CFCH —North Bay
 CKRN —Rouyn
 CFRC —Kingston
 CKVD —Val D'or
 CHEX —Peterborough

And Amos, which has not been quite completed, and to which no call letters have yet been assigned, I think. And then there is the Sifton group:—

CJRC —Winnipeg

CJRM —Regina

(But these are really operated by Carson.)

Mr. BERTRAND: Mr. Priestley in his little pamphlet, "If I Ran the B.B.C." has something to say on this subject, if I might read this:—

Monopoly—and here I am rather well placed, because not only have I often listened to American radio programs, but I have also taken part in them, having broadcast in New York, as well as other American cities, many times.

Now why is the B.B.C. so often and so severely criticized? For the answer you must look beyond a host of surface weaknesses and faults to the one gigantic weakness and fault.

What is really wrong with the B.B.C. is that it represents a monopoly. No other broadcasting system is allowed. There is only one runner in the race. So that the listener here in England is told to like it or lump it.

I earn my living chiefly by writing books and plays. Supposing there was only one firm of publishers, one great bookshop, and all the theatres were controlled by one man?

You will notice he says: now why is the B.B.C. so often and so severely criticized?

By Mrs. Casselman:

Q. Does the C.B.C. give any supervision to the information of programs on these commercial stations; or, are they entirely independent?—A. Not quite, the C.B.C. has supervision over all stations in Canada.

Mr. COLDWELL: One of the criticisms we hear a great deal is about all the advertising of patent medicines and body odor preparations and that sort of thing that absolutely make one sick when you hear broadcasters imply what a filthy condition Canadian people are in and so on; we get terribly sick of that.

The WITNESS: All the manuscripts are reviewed.

Mr. GRAYDON: There is always a way in which Mr. Coldwell could get around that; he doesn't have to listen to it, he can turn it off.

Mr. COLDWELL: The stuff that is going out on the air over the private stations is even worse than what we are getting over the C.B.C. as a rule; even with these local news broadcasts which start at 8.15 o'clock in the morning, they are sponsored by firms who have nostrums to sell; I wonder if a control is being exercised?

The WITNESS: On that particular point, patent medicines and similar drugs, the manuscripts are all controlled by the Department of Pensions and National Health in Ottawa here.

Mr. HANSELL: There is a principle involved in this present discussion. I believe personally that the private broadcasting stations in Canada are a real asset to Canada as in counter distinction to the C.B.C. which after all is a government-owned station, we will say; but I must say that I have not heard any complaints particularly from private broadcasting companies in respect to any particular interference. I am under the impression, perhaps my statement may call forth some criticism, but I am under the impression that the broadcasting stations are fairly well satisfied, they have no serious complaints; but there is a principle just the same: in these stations that you read out as controlled by a certain type of monopoly (I stand with Mr. Coldwell on the matter of monopolies, I am positively against private monopoly) but you can also have a government monopoly, which Mr. Priestley's own pamphlet is talking against.

Mr. BERTRAND: It would be just as bad.

Mr. HANSELL: Yes, it would be just as bad.

Mr. COLDWELL: It could not possibly be just as bad.

Mr. BERTRAND: It might be worse.

Mr. HANSELL: You could have it just as bad. My point is this, particularly, to get onto another subject, the Canadian Broadcasting Corporation makes rules and regulations that govern private broadcasting. That is not the practice with other government institutions, and I do not see particularly the reason why that should be. I can understand the government itself making regulations governing broadcasting in Canada, but for a government-owned broadcasting corporation to make regulations which govern broadcasting of private stations is another thing. As an illustration, we have a government-owned railway; now, I can suppose that the C.N.R. and the C.P.R. and perhaps some few small railroad concerns might collaborate; but I do not believe that the C.N.R. makes rules and regulations and by-laws that are imposed upon the C.P.R.

Mr. BERTRAND: We have a transport commission.

Mr. HANSELL: That is all right, but in the field of broadcasting you do not have anything which corresponds to the transport commission.

The WITNESS: Of course, there are two distinct angles to that: first, there is the broadcast which is detrimental to the public either through the exaggerated claims or through insulting some people; that is well controlled either by the health department in Ottawa or by ourselves. Then there is the matter of taste which is extremely difficult to control; for some people the standard is that if the public generally want a certain type of program it is acceptable. We must differentiate between these two distinct angles; that is, the exaggerated claims for a lotion or drug or patent medicine; and the matter of whether the English used is not proper, or not quite as perfect as it should be—whether it is too Americanized and so on—that is a matter of taste; or, that music is too jazzy, or one thing or another which again is a matter of taste; and in that field we have not done very much in trying to control popular taste in broadcasting.

Mr. BERTRAND: Certain rules could be laid down; one of the first rules would be that sketches for example should be educational.

The WITNESS: I think in respect to the C.B.C. that has been pretty well taken care of.

By Mr. Hansell:

Q. I am not criticizing the rules and regulations, but my point is that the broadcasting corporation itself makes them. That I think perhaps is a prerogative of the government.—A. Of course, that is a matter which has been assigned to the corporation by the Radio Act.

Mr. HANSELL: I am quite well aware of that; you see, you have the principle of a broadcasting corporation making rules and regulations for other broadcasting companies, that is really what you have.

Mr. COLDWELL: Mr. Hansell said just now that we have not had complaints from private broadcasting corporations.

Mr. HANSELL: No serious complaints.

Mr. COLDWELL: That being true is even more suspicious, that they are perhaps too satisfied with conditions as they are; and that makes me terribly suspicious that we are more or less allowing them too much latitude altogether and that we are allowing them to make too great profits.

Mr. BERTRAND: It is pleasing to think that some people in Canada are satisfied about something, apparently they are the only ones.

Mr. COLDWELL: A little healthy dissatisfaction at times is good.

Mr. CLAXTON: With regard to what Mr. Hansell has said about corporations making rules and regulations I think reference to the Act and to the five previous broadcasting committees would throw some further light on that. I appreciate that it was the view of parliament right from the start, first with the commission and then with the corporation, that they should be the broadcasting authority having a paramount position with respect to broadcasting; not only with respect to broadcasting but also with respect to the regulation of other broadcasting stations; and I think you will see scattered all through the reports from the early committee of 1932 right down through the committees of 1934, 1936 and 1938 and 1939 that there is a principle set up that the aim should be that the total control not only the total control but the total occupation of broadcasting by the corporation was to be given to the corporation to the ultimate exclusion of all private stations, with perhaps a limitation that private stations be restricted to small stations with small power. That I think was the general concept of the broadcasting situation in Canada; that is, it is to be a publicly owned system with the private stations allowed to occupy some part of the field that the publicly owned system does not choose to occupy. But, as has been pointed out, they work together very well. I think it would be interesting to learn how far this occupancy of a public utility now extends, and how valuable what remains to them is to the private stations and what they give to the people of Canada in exchange for the right they have. I think it is very useful, if the private stations are giving the people of Canada either by way of recompense for licence fees or by way of services in the way of programs anything commensurate with the profits they are getting out of the use of this very valuable right.

Mr. BERTRAND: Some of these stations are doing very well for themselves while others get very little.

Mr. CLAXTON: Yes, some of them are. I think the general manager (Mr. Gladstone Murray) is to give us the figures on that. I think it would be interesting to the committee as to just what revenue these private stations are receiving, not only from the work they do for the C.B.C. but also from their own operations and from broadcast material they put on the air from the United States' connections. Perhaps Dr. Frigon could tell us something about the increase in commercial revenue of the corporation from this source from the year 1936 down to date.

Mr. HANSON: I think the principle set out from the beginning was that the C.B.C. should control broadcasting.

Mr. BERTRAND: It is such a powerful agent that I would not like to see it entirely in the hands of the government.

Mr. COLDWELL: Or in the hands of a few private corporations.

Mr. BERTRAND: I think very few monopolies could be worse for our people than a monopoly of that kind.

Mr. GRAYDON: There must be some provision made whereby the public would be properly protected I think.

Mrs. CASSELMAN: Is that not one of the reasons for a committee such as this?

The WITNESS: If you will turn to appendix E, page 329 of your proceedings, you will see there given the figures for the five years ending in 1942.

APPENDIX E

CANADIAN BROADCASTING CORPORATION

COMMERCIAL BROADCASTING OPERATIONS

*Commissions and Payments to Private Stations for the period
1st April, 1937, to 31st March, 1942*

Year Ended	Commissions	Payments to Private Stations
31st March, 1938.....	\$ 111,372 39	\$ 83,963 09
31st March, 1939.....	244,523 74	287,999 64
31st March, 1940.....	329,629 34	499,129 76
31st March, 1941.....	365,562 47	599,947 87
31st March, 1942.....	400,685 35 (est.)	635,657 06 (est.)
	<u>\$1,451,773 29</u>	<u>\$2,106,697 42</u>

OTTAWA, Ontario,
3rd June, 1942.

By Mr. Claxton:

Q. Was that the revenue received from the private stations?—A. Those are the payments to private stations for network programs, or programs handled by us. In other words, our commercial department is the operator of network broadcasting and it is they who bring this business to these stations, and this is the extent of it so far.

Mr. CLAXTON: And the figure at the last of the five-year group indicates an increase of about 750 per cent; is that right?

Mr. HANSELL: Oh well, that does not give you an accurate picture at all.

The WITNESS: You could hardly compare the first year; during the first period we only had six hours per day; we only started network broadcasting possibly in the early part of 1939, so that the comparison should really start with the fiscal year ending the 31st of March, 1939. Before that we were not operating at full capacity.

By Mr. Coldwell:

Q. Does the second figure include the first; payment to private stations, does that include commissions?—A. That is a separate item.

Q. The total amount paid was \$3,558,000 odd?—A. Paid to the stations, and commissions paid to agents.

Mr. COLDWELL: Oh yes.

Mr. HANSELL: Of course, these figures do not give an accurate picture. We cannot simply pass it off by saying that the private broadcasting companies received over half a million dollars. To get an actual picture of the profits, of course, you would have to know how much it cost the private broadcasting stations to operate for that length of time.

Mr. COLDWELL: These are payments to private stations by the C.B.C. only.

Mr. HANSELL: I know that.

By Mr. Claxton:

Q. Can you give us any estimate of the amount received by private stations from sources other than the C.B.C.?—A. No, I could not. I do not know anything about that. That is their business.

Q. I mean to say, from your knowledge of the amount of broadcasting done what would you say as to the amount received by private stations from broadcasting other than C.B.C., has it increased substantially over the last five years?—A. It has, but to what extent I really could not tell. It all depends on how their stations are operated.

Mr. BERTRAND: There are some stations that have a deficit at the end of the year while others are pretty well off.

The WITNESS: There is another factor which is extremely important to them, it is the sustaining program service we give them. We have a network, a great many sustaining programs which go to their stations and which are broadcast and which do not cost them a cent.

By Mr. Claxton:

Q. How many hours of sustaining programs on the average do you offer stations; per day, or per week, or however you like?—A. That is all on the record. I would like to check that record.

By Mr. Hansell:

Q. How do you arrive at how much should be paid? Say here is an individual broadcasting station and they are going to broadcast a C.B.C. program for half an hour, that station has a certain power and a certain coverage; how do you arrive at the amount which that station should receive for that half hour?—A. That is very well established by practice. It depends on the power of the station, on the number of its listeners and the competition in some cases; and we follow the practice which is adopted by private industry.

Q. Would you say that your practice had led you to pay too much for that?—A. The sponsors would see that they did not pay too much; it is their job to watch that. Our problem in many cases is to see that the private owner does not claim too much for his station and then try to force us to put him on the national network. You may have a station somewhere and the owner wants to be put on the national network but he is asking too much per hour for his station. We would strictly refuse to accept the rate though, simply because we know that we cannot sell their station at that rate. The only exception to that is the two stations which were brought up the other day, CBA and CBK which are offered almost as a bonus. I would say that normally, according to general practice, the rates are neither exaggerated nor are they too low. They are subject to minor adjustment.

Q. You see, I am trying to deal with them on the assumption that there are vast profits in broadcasting.—A. The way we operate is this: before we accept a station on our network we arrive at an agreement with the owner of the station setting his rate. Then when his rate is set, it is printed on our rate card, and from there on it is automatic; and if anyone wanted to buy the time of that station they can simply look at the rate card and know beforehand what it is going to cost.

By Mr. Coldwell:

Q. If you set the rate for a station why do you not go into the propriety of that rate, to see whether that station was making an excessive profit on the rates allowed and protect the public in that way?—A. That would be difficult because some stations are well managed and would justify the payment of a high rate while others might not be so well managed and the same rate would not be justified in their case.

Q. Then the rate that you allow the poorly managed station— —A. As I say, from the commercial point of view, there are station owners who do not make as much money as others because they are not as good business men in the operating of their station. The stations are rated at a certain figure which we know and which we accept or refuse.

Mr. BERTRAND: Is the rate set independently or is it set by the management?

The WITNESS: The rate is set somewhat in the same way as the newspaper service is given. When you buy space in a newspaper you are not worrying

about whether or not the paper is going to fail within a year; you buy the space for what you think it is worth, and in the same way you buy radio coverage for the privilege of telling the public what you have to sell.

Mr. COLDWELL: The rates for coverage should be set on the basis of the cost of that coverage to be best station or the average station, not the poor station.

The WITNESS: But it does not work that way.

Mr. COLDWELL: Well, it should.

The WITNESS: Well, it is certainly contrary to all practice. I would say that we have the same problem as the newspaper, exactly; you buy space in the newspaper which has the biggest circulation, we buy time on the station which has the biggest circulation, the largest number of listeners.

By Mr. Hansell:

Q. How do the rates paid to the private stations compare with those charged by the broadcasting corporation?—A. The network rate is sometimes higher than the local rate. In certain cases it is the opposite.

Q. With regard to coverage there are many duplications occurring on the chains?—A. Yes.

Q. Could you just give us an example?—A. There is not much duplication, I think strictly speaking, except at Watrous, in the Prairies, and in the Maritimes.

Q. You have a very low rate for the Watrous station?—A. Yes.

Q. I asked you something about newspapers; do you also know who controls the stations that are not controlled by newspapers throughout the country?—A. Yes, when they apply they have to reveal the name of the owner.

Q. And that would include the names of any persons in a company connected with the ownership of a station?—A. No, it does not go that far. A company may apply for a licence.

Mr. HANSELL: It would be interesting for us to get a list of the people who did have the controlling interest in private stations in Canada so that we could see just what types of people are interested in the ownership and control of broadcasting.

Mr. CLAXTON: At page 197 of the record there is a list of the Canadian broadcasting stations as of November 2, 1936; and then somewhere else I think there is a list as of the present date, isn't there? Oh yes, on page 209—Canadian broadcasting stations as on March 31, 1942.

The WITNESS: We know the name of the licensee, of course; but not always who is behind the licensee or who are in the company.

Mr. COLDWELL: That is a point I was going to take up with you, if you knew who were behind the licensee.

By Mr. Tripp:

Q. Does the C.B.C. make a profit on the amount of advertising they turn over to the private stations?—A. Yes, we do make a profit; there is the difference between what we collect and what we pay the stations. The stations are paid on a pre-determined rate of 50 per cent of the rate card amount; that 50 per cent difference takes care of the commissions we have to pay and the different charges that we have to meet. There are the commissions, and then there are certain regional discounts and frequency discounts. If the station rate, for the sake of discussion, is say \$100, then if the station is bought for 13 occasions there is a discount, and if it is bought for 50 occasions there is another discount; if a station goes on a regional network there is a discount, and if it goes on five regional networks there is another discount. Then there is a commission to be

paid to the agency and to the American network, if it is an American program. So there are a number of items to be paid out of the 50 per cent margin; one-half the amount shown on the rate card goes to the private station and we meet the other expenses out of the balance. I may say that we do not lose on the arrangement but again we do not make much money.

By Mr. Claxton:

Q. Is all the commercial network throughout Canada being handled by the C.B.C.?—A. All network broadcasting is handled through the C.B.C.

Q. How about the exceptions in the cases of CKAC and CFCF?—A. They are American stations. They are isolated stations which are allocated American networks and we do not control those programs. There are four stations in that group: CKAC, CFRB, CFCF and CKLW.

Q. But the commercial networks procure them through the C.B.C.?—A. There are cases where we allow chains; CKAC of Montreal sometimes broadcasts the same program as some other station in Quebec; in cases like that they get special permission from us to use our lines.

By Mr. Coldwell:

Q. I have not had time to look over this list of broadcasting stations. What I had in mind is very well illustrated in this list here, the people who are behind these companies; the Radio Association is given as the owner of station CFLC; and I find that the Radio Broadcasting Corporation Limited is given as the owner of station CFCY; the Victoria Broadcasting Association, Victoria, owns CFCT; and so on, now, who are these people that own these stations?—A. We do not know.

Q. That means nothing.—A. The licensing authority, of course, is the Department of Transport.

Mr. CLAXTON: But they do it on the recommendation of the board of governors of the corporation.

The WITNESS: We have to investigate the type of men to see that they are the type that we think should operate a station. If we have any reason to think that they are not people who should have a frequency we act accordingly.

By Mr. Coldwell:

Q. Do you know who control these stations?—A. Not officially, we haven't got a list of the members of their board of directors or their stockholders or things of that sort.

Q. How do you know whether they are the proper people to own and operate a station?—A. You might say that is obtained from personal knowledge and local contact; it is not what you might call official. For instance, if a man applies and he is supported by a good many well known organizations in the district we have reason to believe that he is all right. If he is not supported by people we may inquire and we may be given some information on his business ability, and so on.

By Mr. Claxton:

Q. What is the policy of the corporation with regard to applications for new stations?—A. The policy generally is to favour increase in coverage and discourage duplication of coverage, generally speaking. If there are two stations in a certain locality and an application came in we would consider whether the present coverage was adequate and if in our opinion it was adequate we would reject the application.

Q. Is there any policy in regard to the number of stations which can be owned and controlled by one man or one corporation?—A. There is no regulation covering that particular point.

Q. Is there any policy in that respect, or has the board of governors given any attention to that?—A. Not as such.

Q. On page 201 of our proceedings there is a list of the changes in Canadian broadcasting stations from March, 1936, to March 31, 1942; it is quite a substantial list and I imagine you are familiar with it, Dr. Frigon: is it fair to say that all those changes represent improvements in channels or frequencies allotted to private stations? Has there been a substantial improvement in the position of private stations with regard to frequencies or channels allotted to them during the last year?—A. In that particular aspect, no, very little. There has been an increase in efficiency there, more high power stations giving wider coverage, covering a wider area; and in some cases the management probably was improved by changing hands or operators. The frequency angle does not come into the picture to any extent.

Q. I understood that as a result of the Havana agreement additional spare channels were made available to Canada, that the position of Canadian stations both publicly owned and privately owned was substantially improved?—A. Not improved, it is centred and focused, and we now operate on frequencies more advantageous to our purpose than we had before. As you probably know, we had some Mexican interference. There was some adjustment with respect to frequencies but no specific frequencies were allotted to specific countries. We are protected to this extent, that no other station will interfere with our broadcasting within certain limits.

Q. But is not the position in that respect, also in respect to the actual frequencies allocated, the same principle; has not the position of the privately owned station improved during the last five years?—A. It does improve them somewhat. Some of the stations which have been allocated some of the best frequencies—I do not seem quite to get your point there. Let us take station CKAC in Montreal, they are not any better off than they were because they just stayed at 730 and they have to stand interference from a Mexican station, which they knew about before. On the other hand, CBF Montreal is on a so-called clear channel. At the present time it is having a certain amount of interference from a station in Cuba, a station which is not operating under the agreement, not respecting the agreement. We are trying to correct that. Except for CBF in Montreal our own stations are protected as expected. Now, CKAC is a typical example, they preferred to remain where they were on 730 kilocycles. They knew they would have to stand it and they chose to do that rather than change their frequency.

Q. I suppose, it is a good frequency.—A. It is a good frequency and I think that is probably one of their main reasons for not making a change.

Q. I suppose they had established good will?—A. Well, they had established a frequency. They were offered another frequency and they preferred to stay on the one they had.

By Mr. Isnor:

Q. Dealing with the question raised a little while ago regarding commercial revenue, you referred to appendix E on page 329. I do not know whether that satisfied Mr. Claxton or not, but it did not give me the information I thought he was seeking. Appendix E shows the payments to private stations.—A. No, commission on business carried by private stations, but the commissions are paid to agencies or to agents.

Q. It shows commissions, and payments to private stations.—A. It should be read: commissions, (comma) and payments to private stations.

Q. Oh, there should be a comma after commissions?—A. Yes; commissions, and payments to private stations.

By Mr. Coldwell:

Q. Those are the commissions you pay to various concerns?—A. To agencies and to people handling these programs as agents on the business produced by them.

Q. Yes; well, Mr. Claxton's question as I understood it related rather to disbursements, to the total revenue received by private stations?—A. No, it is not disbursements. As I said before, the space rate charged is say \$100, the sponsor is charged \$100 and a part of that \$100 goes to the station to pay for the time and part of it goes to the agent who acts as the representative of the sponsor.

MR. COLDWELL: I know, I followed your explanation.

MR. CLAXTON: Mr. Isnor was quite right. The question I originally asked you was the commercial revenue of the Canadian Broadcasting Corporation itself. I was coming to that later but the question has already been answered. I think if you look at page 579 you will see the commercial revenue of the corporation on a comparative basis for the years 1939-1940—perhaps Dr. Frigon would explain that, and then we will go on and add the figures for 1941 and 1942 and then we would have an answer to Mr. Isnor's question and one which I would like to get also.

MR. ISNOR: Yes, I think that is better.

MR. CLAXTON: You will see that on page 579.

THE WITNESS: May I be permitted to take it up in another way—that is in the Thompson report, isn't it?

MR. CLAXTON: Yes, that is taken from Thompson's report.

By Mr. Isnor:

Q. Might I point this out, that if you answer the question asked by Mr. Claxton by referring to appendix E that would not correspond or agree with the figure that is shown in your report; for instance, for 1940-41 the report would show a revenue or income from commercial broadcasting of \$895,000 odd, and the figure used in appendix E would show for 1941, \$599,947.87; so I think there is some confusion there.—A. I didn't get the figures down, would you mind repeating them?

Q. I am taking it from the report on page 329. And the figure Mr. Claxton referred to on page 579. You show there from commercial broadcasting a gross of \$895,466.39 while the figure shown on page 329 in appendix E as of March 31, 1941, is \$599,547.87.

MR. HANSELL: They are entirely different; the one deals with the corporation revenue and the other deals with payments to private stations.

THE WITNESS: Page 329 shows the money paid to private stations, and page 25 of the report you have before you is the money we received ourselves. They are two different things.

MR. ISNOR: Mr. Claxton asked in the first place what the revenues from commercial broadcasting were.

MR. CLAXTON: What the corporation got, can you give us that?

THE WITNESS: Yes.

MR. ISNOR: I would like to have the figures showing the increase from year to year.

THE WITNESS: Our net revenue year by year is this: for the year ending March 31, 1938, \$411,346.42; for the year ending 1939, \$664,680.09; for the year ending 1940, \$773,521.89; for the year ending March, 1941, \$939,713.99; and this last year, the books not being closed—this figure is very nearly the final figure—it is \$1,058,367.36.

MR. ISNOR: Now I think you have answered Mr. Claxton's question.

The WITNESS: I could give you a breakdown of these figures if you want it.

Mr. ISNOR: I was going to find out that you show an increase there in the first period, from the first period to the last period of about \$640,000 in revenue.

The WITNESS: As I said before, the difference is due actually during this first period to the fact that we were not operating sixteen hours per day then.

Mr. CLAXTON: You began to operate on sixteen hours a day in 1938, so the comparison should really date from about that time.

The WITNESS: It was only early in 1940 that we started our network broadcasting on a basis of sixteen hours a day; and, of course, it has built up a great deal. When we started the network, we were told by many commercial operators it would never work and we had trouble getting stations to join the network, they said they would lose money and they didn't like it. To-day the position is completely reversed, those who are not on the network complain that they should be on the network. The picture in respect to our relationships with the private stations has been completely reversed in the last three or four years.

By Mr. Coldwell:

Q. You told us I think the other day that the C.B.C. controls 71 per cent of the coverage by its own stations; in commissions and payments to private stations you paid out almost as much as your total commercial revenue, so for 29 per cent of the coverage you pay out almost as much as you received yourself for 71 per cent of the coverage?—A. Well, you know the rate in small stations of course is higher in proportion to coverage than on big stations. The small stations in the small localities may have a rate of \$50 an hour while our big stations may have a rate of \$300, the coverage may be very much more than six times greater on the big stations. In other words, the cost of broadcasting in these stations is very much lower for the amount of advertising secured on the larger stations.

Q. I see that point, of course.—A. If you take a station like CBL (Toronto) with a rate of \$300 an hour and compare it with some station on the prairies say that gets a rate of \$50 an hour, the sponsor of course gets a greater return from the coverage of a station like Toronto than he would from one say at Kamloops.

Mr. ISNOR: For the same reason as you gave before in respect to newspapers, the power and coverage are important factors?

The WITNESS: I would like if I may be permitted to say this: I said our network started in 1940—we started our commercial network operations early in 1940. We had a network before but we were not carrying programs as now. Our present commercial network arrangement or agreement dates back to early 1940.

By Mr. Claxton:

Q. Reference was made the other day to a second network?—A. Yes.

Q. What is the effect of having a second network on the position and revenue of private stations; does it increase their opportunity to make money?—A. Yes, the stations on the subsidiary network are not usually the same as those on the national network, they are other stations.

Q. But does this second or subsidiary network give the private stations as a whole a greater opportunity of making money?—A. Yes, it brings in more money to the broadcasting industry.

By Mr. Isnor:

Q. You are largely responsible for this publication, "Five Years of Achievement"?—A. No; I was shown a copy of it I think before it went to press, but I am not quite sure of that.

Q. It deals almost entirely with finance which naturally would come under your supervision.—A. I saw a copy before it went to press I think. But it was not put out by myself or my immediate staff.

Q. You refer on one of the pages here to finance and you say, "these surpluses were due not merely to careful budgeting, but also to a large extent to greater increases in licence revenue during these five years than had been expected. These increases, in themselves, reflect the satisfaction of the listening public with their broadcasting service". I think it is only fair to say that this is largely due to the people collecting the licence fees, at least to a very large extent. I do not think you can take a great deal of credit for the 77 per cent of financial revenue collected which comes from the Department of Transport.

The WITNESS: I know something; and that is, when we open a new station it seems to act like magic, licence fees in the district increase.

Mr. BERTRAND: If the programs were not good not so many people would have radios or would pay fees.

Mr. ISNOR: I think the increase in the receipts shown here, it is a very substantial increase, is due largely to the effectiveness of the Department of Transport in making collections. I was going to follow that up, but I did want to pay a little tribute to the Department of Transport in respect to their system of collecting licence fees.

Mr. BERTRAND: But it is done at the expense of the C.B.C.

Mr. ISNOR: It is not due more to administration than it is to their system of following up which I think was largely responsible for the splendid service which made it possible for this good showing to be made. It is not often you get another agency to provide you with 77 per cent, as shown in this pamphlet, of your total revenue to distribute as you see fit. That is why I asked the treasurer yesterday as to whether he was satisfied with the present system, that it was the best system on which you could work, and he said by all means it is the best system and he didn't want to have any worries about the collection of revenue.

The WITNESS: Apparently all the other systems the Department of Transport have been able to think about are too costly and yet the revenue would not compensate for the extra cost.

Mr. BERTRAND: I would like to have a little more information on that. It is not quite a gift that is being given to the C.B.C. by the Transport Department. They collect the licence fees for the C.B.C. but the C.B.C. are giving the programs—it is not a gift which they receive to operate their system.

Mrs. CASSELMAN: But the Department of Transport does not get any payment for collecting.

Mr. BERTRAND: Oh no; they collect for the C.B.C. and the C.B.C. gives services for the amount they receive.

The WITNESS: The Department of Transport make the collections for us, and outside of the commission paid vendors we pay the Department of Transport this year I think it was almost \$200,000.

Mrs. CASSELMAN: Oh, they charge you for it?

The WITNESS: Yes.

Mr. CLAXTON: I see they charged \$197,000 odd to collect.

Mrs. CASSELMAN: Oh, that makes it different.

The WITNESS: If they were to carry the cost of collecting these fees we would receive almost \$200,000 more on that account; and if they were to pay the amounts paid to agents in the form of commissions we would receive another probable \$200,000.

By Mr. Claxton:

Q. Have you any knowledge of the cost of collecting licence fees in other countries where they have a corresponding system to our own; for instance, the cost of collecting fees in Great Britain, which I think is done by the Postmaster General?—A. I do not know just what it costs them. I do not know what the situation in Germany is to-day, but I do know that at one time, some years ago the postman would call and collect one mark per month each month on making his rounds.

By Mr. Hansell:

Q. Do they charge a licence fee in the United States?—A. No.

Mr. COLDWELL: It is a private system over there.

Mr. HANSELL: Yes.

The WITNESS: In the United States you pay for broadcasting through the purchase of goods advertised on the radio. Someone has to pay for it.

Mr. HANSELL: Of course they did that here too?

The WITNESS: Partly.

Mrs. CASSELMAN: And we have to pay for their advertising through the goods that we buy.

The WITNESS: The thing is this, that in the States with the immense population and the facilities they have they can carry on the way they are doing, with the revenue they are getting where their population is so highly concentrated; but in order to have any service at all we must supplement it by contributions from the public or by licence fees.

Mr. BERTRAND: In the United States the coverage is very limited. It is well covered in the east but in the west I understand the coverage is very bad.

Mr. HANSELL: They have some very powerful stations over there.

The CHAIRMAN: Order.

Mr. ISNOR: Have you got a separate account of the various provinces in regard to the cost of school programs?

Mr. COLDWELL: That is Major Murray's field.

The WITNESS: You mean, the cost of school programs?

Mr. ISNOR: Yes, I understood there was a certain amount spent on Nova Scotia.

The WITNESS: We have not segregated the costs of the school broadcasts from the rest, because there is so much—program headquarters deal with that. It would be difficult to segregate the separate overhead costs in the program division; as to what should be charged say for school broadcasts in British Columbia—we have certain costs which we charge directly to school broadcasts, but they do not tell the whole story.

Mr. ISNOR: Those would apply directly to any one particular province. Do they show any certain items?

The WITNESS: We could give you the exact costs of school broadcasts as differentiated in our books from other programs; for instance, we have some people dealing with the production of these school broadcasts, we have their salaries and they would be charged up to that, and we have some publications printed and distributed to the schools, those, of course, are different items. We have no accounts in our books dealing with school broadcasts separately.

Mr. COLDWELL: Who distributes these pamphlets put out by the C.B.C.?

Mr. MURRAY: That was asked for by the committee. I intend to make a statement with respect to that when I resume the stand.

Mr. COLDWELL: I notice that Mr. Priestley says himself, I make my revenue from the writing of plays and the writing of books. I was interested in getting an answer to that. I do not suppose the C.B.C. would get very much revenue from matters of that kind.

The CHAIRMAN: It is very nearly one o'clock and this might be a good place at which to adjourn. Is it the opinion of the committee that Dr. Frigon's evidence is now completed and that it will not be necessary for him to appear further?

Mr. COLDWELL: As far as I am concerned.

The WITNESS: I propose to be on hand.

Mr. COLDWELL: That is all right.

The CHAIRMAN: It is just a question of whether we can meet to-morrow or not. There are four committees meeting and one committee has this room for its meeting. It would be very difficult for us to hold a meeting in another room because most of the material we are using is here.

Mr. COLDWELL: Why is another committee intruding into our particular room?

Mr. HANSELL: What committee is it?

The CHAIRMAN: I understand the War Expenditures Committee have arranged a meeting in this room for to-morrow.

Mr. COLDWELL: I thought we had permission to use this room continuously?

The CHAIRMAN: I understand there is no priority, no other committee has any priority over us in respect to being here.

Mr. COLDWELL: The reason I was anxious to sit to-morrow is because I have to be away next week and I want to put certain questions to Major Murray. I have to be away next week and I would like to have an opportunity of having that cleared up.

The CHAIRMAN: Perhaps the clerk could make arrangements for us to have the use of this room.

Mr. COLDWELL: I was not suggesting that the committee sit to-morrow simply because I am going to be away next week; I do not want that to be understood at all, I am not asking the committee to sit just to meet my convenience.

The CHAIRMAN: The clerk will notify members of the committee as to the place at which we will meet to-morrow; in the meantime, we will adjourn to meet again to-morrow at 10.30 o'clock.

The committee adjourned at 1 o'clock p.m. to meet again to-morrow, June 26, 1942, at 10.30 o'clock a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

FRIDAY, JUNE 26, 1942

WITNESS:

Major Gladstone Murray, General Manager of the Canadian Broadcasting Corporation.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

FRIDAY, June 26, 1942.

The Special Committee on Radio Broadcasting met at 10.30 a.m. Dr. Veniot, the Vice-Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Hanson (*Skeena*), Homuth, Isnor, Hansell, Ross (*St. Paul*), Slaght, Tripp and Veniot. 11.

In attendance:

From the C.B.C.: Messrs. Frigon, Manson, Bramah, Bushnell, Brodie, Findlay and Miss Belcourt.

From the Department of Transport: Messrs. Caton and Bain.

MAJOR GLADSTONE MURRAY, was recalled and examined.

The witness referred to and commented upon a memorandum which is incorporated in his evidence of June 24, relating to Messrs. Estorick, Lambert, Moseley, Priestley, Buchanan, Pickering, etc.

Copies of two documents were tabled and distributed, namely:—

1. Neighbourly News for the Ontario Weeklies. A talk by Andy Clarke delivered on May 8, 1942.
2. Report on the Use made of Broadcasts from the School of the Air of the Americas, dated June 16, 1942.

Major Murray also tabled extracts from the Official Report of the British House of Commons and the House of Lords, being a speech by Captain L. F. Plugge, M.P., dated July 3, 1941, and a resolution by Lord Davies, moved on July 16, 1941. Also a publication of the Institute of Social Research, New York, entitled "Studies in Philosophy and Social Science," by Mr. C. A. Siepmann.

On motion of Mr. Coldwell, seconded by Mrs. Casselman (*Edmonton East*),

Resolved,—That the above mentioned speech and resolution be printed in this day's evidence. (*See Appendices A, B and C.*)

Concluding his evidence, the witness made a statement embodying replies to several unanswered questions by members of the Committee respecting the following:—

1. School broadcasts.
2. Control of appeals for funds.
3. C.B.C. talks such as "Canada at War" and "Over the Top."
4. Contributions by private stations to C.B.C. sustaining programs.
5. News reports of Hon. Mr. Crerar's speech in the House of Commons and Hon. Mr. Cardin's resignation.

6. Progress of negotiations of a conference between the Canadian Press and the Board of Governors.
7. Cost of editing, printing and distributing of pamphlets entitled "Five Years of Achievement."

The witness was questioned thereon as well as on the publication of news over C.B.C. and devotional broadcasts.

Major Murray promised to bring forward a complete schedule of the C.B.C. talks series.

Mr. Coldwell made corrections in the minute of evidence of June 19 and 24, on pages 557 and 653, respectively.

Witness retired.

The Committee adjourned until Tuesday, June 30, at 10.30 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

Room 497, June 26, 1942.

The Special Committee on Radio Broadcasting met this day at 10:30 a.m. The Vice-Chairman, Mr. C. J. Veniot, presided.

The CHAIRMAN: Mrs. Casselman and gentlemen. I now declare the meeting open for business. Our business today consists of hearing Major Murray who will clear up certain questions which have accumulated in the past couple of weeks, and who will also be prepared to answer further questions which you may have to ask him.

MAJOR W. GLADSTONE MURRAY, Recalled.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen; I would like to dispose of as many as possible of the points which have accumulated in the questions unanswered to date. I might suggest that it might be an orderly procedure, and one which would commend itself to your judgment, that when the other witnesses are called—and it is my hope that you have as many witnesses as possible from outside—that you give me an opportunity of making a final submission in the form of a conspectus, a sort of concentrated survey which might be in part a digest in rebuttal and in part an acknowledgment of suggestions which have come forward, and that therefore I might be submitted to questioning on that. It seems to me that once that procedure is disposed of you will then be in possession of all relevant information. The other day I was asked for the convenience of the committee to have certain memoranda and documents printed, and these have been printed in No. 12. They begin at page 670, and I would like to run through these. The first is the conclusions reached as a result of a careful examination of the C.B.C. and other radio in Canada by Mr. Charles Siepmann, now of the office of Facts and Figures in Washington, formerly the head of the Radio Department of the Harvard University, and before that for ten years Director of Talks for the British Broadcasting Corporation. The second conclusion is that of Dr. Eric Estorick who is Chief of the British Empire section of the Analysis Division of the Foreign Broadcasting Monitoring Service, Federal Communications Commission. Those two are set out on pages 670 to 673.

I would like to add that before your deliberations end I shall have further reports from both Mr. Siepmann and Dr. Estorick.

Then on page 673 is an answer to the question about part-time employment on a retaining fee basis. There are two cases at the present time, that of Mr. R. S. Lambert, and that of Mr. Sydney Moseley. The facts and the figures are set out on page 673.

Then I was also asked about the period in which Mr. R. B. Farrell was on retaining fee. The facts of that and the moneys involved are set out on page 674. Although it is not entirely relevant to this aspect of the problem I think, in reference to previous evidence submitted, it is only fair to say of the many thousands of letters which Mr. Farrell has received in acknowledgment of his work as a broadcaster—I believe in two years there are in excess of 40,000—I mentioned before I thought the audience was centred more outside

the middle part of Canada, more in the West, British Columbia, and the Maritimes, but I find in point of fact the largest individual number of letters has come to him from the city of Toronto, and that he has had quite a considerable number of letters from the province of Saskatchewan, and not an inconsiderable proportion from the area of Rosetown-Biggarr.

Mr. COLDWELL: That makes no difference to the argument.

The WITNESS: I am putting this in to complete the former evidence I gave.

Mr. COLDWELL: It makes no difference at all. I do not think that is a fact that should be mentioned.

Mr. SLAGHT: I want to suggest that it does make some difference to me, at least, for this reason; I think I was here when the member from Rosetown-Biggarr indicated that he had in conversations with a number of his people—I thought he mentioned his own locality——

Mr. COLDWELL: I did not mean that. I travel over a much larger area.

Mr. SLAGHT: At all events one could assume he would know what the hometown folks were thinking, and we are getting now a statement which shows the other side of the picture. That is in fairness to Mr. Farrell. I know, speaking for myself, that I am very glad to learn that it isn't just a one-sided picture.

The WITNESS: The only further observation I have to make in completing that part of the evidence is that the talks that he gave on literature were conspicuously successful, notably those on Shakespeare, Robert Burns, Sir Walter Scott and Kipling. That completes the further observation.

By Mr. Coldwell:

Q. May I ask you this question? Did your staff who reviewed these programs know of the letters that had come in?—A. Yes.

Q. And yet in the face of that on every occasion they recommended against this particular commentary?—A. From their point of view, yes.

Q. As expert radio men?—A. Yes.

Mr. SLAGHT: They were going to educate the public on what the public ought to like, I suppose.

The WITNESS: That completes the observations on that point. The next point was raised by Mr. Douglas Ross who asked that copies be provided of Mr. J. B. Priestley's pamphlet, "If I Ran the B.B.C." I would call your attention particularly to the observation I have made on page 674, notably that this pamphlet was written on July 24, 1938, and therefore did not envisage war conditions. Also I think the other observations made should be taken in fairness to the British Broadcasting Corporation.

Then on page 675 there is a report about Mr. Donald Buchanan together with a copy of my reply to his letter of resignation. Also on pages 675 and 676 is a report on Mr. Pickering. Then on page 676 there is an answer to Mr. Claxton's question as to the accuracy of the C.B.C. report of a speech by Mr. Crerar in the House of Commons on June 18. There is given there the source material and the relevant extract from the National News Bulletin with an explanatory note. Now, it would be of special interest and value, I think, if the committee would care to examine that.

By Mr. Coldwell:

Q. I was going to ask you before you proceed as to this paragraph on Mr. Pickering's resignation in regard to the correspondence.—A. As I remarked, the correspondence was marked "Private and Confidential", at Mr. Pickering's special request.

Q. So that it is not available?—A. No. I suggest the best way would be to call Mr. Pickering if it is desired.

Q. I think if it is private and confidential and we cannot get the correspondence we should call Mr. Pickering if he would appear.—A. I certainly would welcome his presence because I feel that in the circumstances that would be the only fair way. Shall I proceed?

Q. Yes.—A. It would be interesting to have your observations and consideration as to what points were omitted in this relevant extract from the news bulletin in relation to the limitations as set out in the explanatory note. Now, I have discovered an omission but I would be interested if the other members of the committee would come to a conclusion independently of any suggestion from me. Might I suggest that might be done at your leisure.

Then these documents which were put into the evidence in advance conclude with some notes on music with particular reference to our music advisors and to a new plan which we have for circulating within Canada worthwhile artists and musicians who might not otherwise have the opportunity of reaching the whole of the music-loving audience.

That completes the points which have been put in the record. There are a number of others which have accumulated and with which I would like to deal. First of all Mr. Coldwell read the other day from a memorandum entitled, "W.E.M.6". I understand that Mr. Coldwell would like to ask a specific question about that.

Mr. COLDWELL: No, I do not think I do.

The WITNESS: Shall we let it drop?

Mr. COLDWELL: Yes.

The WITNESS: All right. Then the committee will recall that a general report on schools broadcasts was given in my evidence-in-chief on page 223 and brought up to date later on pages 341 and 483 of the printed evidence of the proceedings. At the beginning of the proceedings of this committee only three provinces had agreed to co-operate in the new national plan of schools broadcasting. These were Saskatchewan, Nova Scotia and British Columbia. Then New Brunswick, Quebec and Manitoba joined. The day before yesterday I heard that Ontario has joined, undertaking to sponsor two broadcasts of the national series, "Heroes of Canada." That means all the provinces are included except Alberta and Prince Edward Island and with these negotiations are now continuing in a hopeful sense.

The next point is in part a consequence of this evidence on school broadcasts. There is being provided for distribution to the committee a report on an interesting and significant aspect of group listening, organized group listening by children to selected radio programs. This experiment was conducted in Toronto during the past winter. Both the experiment and its results are described in the report which is now being distributed, and to save time I think that it does not call for any immediate discussion. It is more for information. It is an interesting experiment.

By Mr. Isnor:

Q. Except to ask who arranged this?—A. The C.B.C. I think it is right that I should draw the attention of the committee to two very important and significant speeches delivered in England last year, one in the United Kingdom House of Commons and the other in the House of Lords, the former by Captain Leonard F. Plugge, member of parliament for the Chatham division of Rochester, and the latter by Lord Davies, the Lord Davies who before the war was noted chiefly as the founder of a movement for the establishment of an international air force. These speeches are not long and I would suggest that they be included in the record. They deal with broadcasting in wartime

and although it might be argued they do not bear upon problems which are immediate in Canada they certainly emphasize the advantages which the enemy gained by awareness of the full use of radio, not only in his advance across Western Europe and Scandinavia but also, and more particularly, in the Middle East. If it is the committee's pleasure I would like to suggest that this be included.

(See Appendix A. and B.)

The CHAIRMAN: The committee so desire.

The WITNESS: The next point is that as I requested there has been included in the printed record the conclusions of Mr. Charles A. Siepmann after an examination of Canadian broadcasting, conclusions which are to be supplemented. Mr. Siepmann's most notable piece of writing on broadcasting in the United States is contained in his distinguished contribution to the publication, "Studies in Philosophy and Social Science" published by the Institute of Social Research of New York. Unfortunately only one copy of the reprint of this paper is available. As the treatment of broadcasting in the larger sense of basic social value has been so rarely discussed with such authority, I would recommend to the committee that this paper be reproduced as an appendix to the printed report.

(See Appendix C.)

By Mr. Coldwell:

Q. You just have the one copy?—A. Yes.

The CHAIRMAN: Is it so desired?

Mr. COLDWELL: Yes.

The WITNESS: There has been already on several occasions reference to the success of the Neighborly News features across the country, and just to complete the documentation of that I have for submission to the committee—I do not suggest it should be put on the record—a copy of a talk by Andy Clark on May 8th, 1942, an address rather, before the Canadian Weekly Newspaper Association in Toronto.

By Mr. Coldwell:

Q. How many of those talks did you say went over every Sunday, Mr. Clark and who else?—A. One in each region, Maritimes, Quebec, Ontario, the Prairies and British Columbia, and in each case we have been fortunate in securing an exceptionally popular personality.

Q. If they are as good as Mr. Clark they are all good.

The CHAIRMAN: Before Major Murray proceeds the clerk informs me that to regularize the procedure to include the two speeches in the British Parliament and Mr. Siepmann's article which Major Murray has just asked to have included in the report we should have a formal motion from the committee. Will somebody make a motion?

Mr. COLDWELL: I will move that.

Mrs. CASSELMAN: I will second the motion.

The CHAIRMAN: All in favor? (Carried).

The WITNESS: Now, Mr. Hansell was particularly interested in this problem of the control of appeals. Is it your desire that I deal with this and Mr. Hansell perhaps could ask further questions on it from the record, or should I leave it until Mr. Hansell is present?

By Mr. Isnor:

Q. Before you leave the Neighborly talks would you name them?—A. Ralph Marvin in the Maritimes; Earl Kelly in British Columbia, Andy Clarke in Ontario, Robert Colquette in Winnipeg, and Léandre Prévost for the French network.

The CHAIRMAN: What is your desire with regard to Mr. Hansell's question?

Mr. COLDWELL: Don't you think we should try to get Major Murray to complete this and then Mr. Hansell can ask questions later?

The CHAIRMAN: All right.

The WITNESS: On the general subject of the control of appeals for funds for causes good or better Mr. Hansell asked a question about the limitations placed on the use of radio for this purpose. In recent months, or in the last six months, there have been a good many complaints from listeners well scattered across the country that this practice was being abused and that sometimes neither the merit nor indeed the actual description of the cause was being clearly defined. There was also raised the point that the radio audience should not be continually requested to contribute to funds in which the majority might not be interested and from which perhaps only a minority would get benefit, tangible or intangible. When the matter came up before us, I strongly recommended to the board that some action should be taken to regularize the position in the public interest, and the board agreed that there was a clear case for protecting the public even if the complaints that had been brought forward were incapable of definite proof. Therefore action was taken in the form of a new regulation which is called 7 (L). This reads as follows:—

7. No one shall broadcast (L) any appeal for donations or subscriptions in money or in kind without having first obtained the consent in writing of the general manager, except it be an appeal on behalf of a war charity fund registered under the War Charities Act, 1939, or a joint appeal on behalf of two or more charities made with the approval of the municipality or other local authority in which the appeal is made. That is the regulation. This new regulation was applied on May 15th and here is the procedure of application. When applications are submitted—that is for appeals not covered by the War Charities Act and this other description, which means community chests—I give permission after a full report by the station relations division which examines the merits of the application, and when the recommendation comes to me I give permission subject to the following three conditions:

(1) The form of announcement used must be as follows, and may only be presented once during a broadcast of 15 minutes' duration or less, and not more than twice during a broadcast of more than 15 minutes' duration.

This is the form of announcement:

This broadcast is supported by the freewill offerings of our listeners. Contributions should be sent to—, and then the address. The reason for codifying this was it was proved in some of these appeals there was practically nothing else in the ten minutes of time, and that does not do any benefit to the cause and it certainly irritates the public. The second conditions is:—

Permission for special appeals will be permitted once or twice a year upon written application.

By Mr. Ross:

Q. Just while you are on that you say once in fifteen minutes or less and twice in fifteen minutes or more?—A. Yes.

Q. Why would that be? Why once?—A. Once during a broadcast of fifteen minutes' duration or less and not more than twice during a broadcast of more than fifteen minutes' duration.

Q. Yes, I follow that. I beg your pardon.—A.:

(2) Permission for special appeals will be permitted once or twice a year upon written application.

That is to give it a little flexibility if there is a special case.

(3) Broadcasting acknowledgments of contributions mentioning or identifying the donor (donors) are not permissible at any time.

That was to correct the tendency of reading long lists of names of people who had given money in order to bring pressure on other people to do so, presumably, and that we consider to be a waste of radio time. The appeal can be given simply in a straightforward manner without lists of donors. This procedure became operative on May 15th, 1942, and it appears to be working smoothly, and there is no doubt in my mind it does provide a reasonable safeguard against possible misuse of radio.

By Mr. Slaght:

Q. Mr. Murray, what is the significance of one of your provisions about the right to go on—I gathered if it was a combination of two charities, and I just wondered—A. That was a provision made to make an opportunity for community chests. It was a common-sense arrangement. A joint appeal on behalf of two or more charities made with the approval of the municipality or other local authority in which the appeal is made.

Q. That would shut out a single charity?—A. Yes, unless that charity was approved.

Q. There is a proviso, yes.—A. They could always appeal specially but that is really a description of what a community chest is in practice. A community chest almost invariably, if not invariably, represents more than one charity.

By Mr. Coldwell:

Q. I was going to ask you what about these churches of the air? Will they be just limited to a short statement on a fifteen minute broadcast that this broadcast is maintained by freewill offerings and contributions and where they may be sent, and so on?—A. Yes.

Q. There would be no latitude allowed. Not frequently but on occasion the minister of such an organization, could, I suppose, explain the basis of this particular charity and why he was appealing. Is that the idea of your once or twice a year special permission?—A. Quite.

Q. And he can get that?—A. Yes, that tidies it up. There were a number of complaints from one area before this regulation was brought in about the sale of an autographed text as a result of a broadcast. It was an autographed text at \$1 a text, or something like that, and a great many of those were sold. That may be justifiable but we think perhaps it is better to protect the public from that sort of thing.

Q. And you have had that in effect now for a couple of months, six weeks?—A. Yes. It has also been effective in excluding a well known U.S. evangelist from crossing the border with practices very profitable in the U.S.

By Mrs. Casselman:

Q. What would you do in that case? Suppose an address of that nature came over the radio; would you just blank it out for that time or what would

you do? How can you prevent him from broadcasting it?—A. It would not be accepted.

Q. The whole broadcast would be refused?—A. Yes, that is the regulation, and the station in the event of violation would run the risk of losing its licence.

By Mr. Coldwell:

Q. The manuscript must be submitted first?—A. Yes.

Q. In every case?—A. Yes—not to us but to the station. Now, the next point deals with a series of talks—

Q. I was going to ask you, if I may just interrupt, what guidance is given to stations as to what they should or should not allow on the air?—A. They get numerous directives. First of all the regulations are laid down; and in addition they get constant directives of interpretation from our station relations division, and the Department of Justice is always available for special interpretation.

Q. I asked the question because on one occasion during the last federal campaign—as a matter of fact I was speaking over a local station and it so happened I was giving a rather long broadcast, much longer than I like to give, and it was a composite broadcast. I had to do it in a hurry, and it consisted of material that had been censored here, every bit of it. When I came to the station at about five minutes to eight I found pages scored out. I was not going to be allowed to deliver it and when I asked the reason I was told it was against the regulations to criticize the government.—A. That is the Department of Censorship.

Q. But I insisted on doing it and I got away with it. I sat before the microphone and I said, "You can turn me off and people will know why you turned me off."—A. That would be censorship.

Q. That was the local station. It had been censored here and approved.—A. Not by the C.B.C.

Q. By the chief censor. I was wondering what guidance is given to the local station because I had that experience myself.

By Mr. Claxton:

Q. Do your officials listen in to all programs broadcast so as to enforce the regulations?—A. No, the enforcement of regulations is with the Department of Transport. We cannot listen to all programs of all stations in Canada continuously but when there is a complaint we arrange for an independent check on it and a post-mortem on the manuscript. There is a good deal of listening, of course. But the organized listening we do is to our own programs for the purpose of criticism and improvement. We have no special organization for listening constantly to private stations.

Q. By what department is that work carried on?—A. The Department of Transport.

Q. What division of the Canadian Broadcasting Corporation looks after that?—A. Private stations? The station relations division.

Q. That is located in Toronto, is it?—A. Yes.

Q. It comes under you rather than Dr. Frigon?—A. Yes.

Q. Just to make it clear the Department of Transport, I understand, has to do with the regulation of frequencies, the technical operation of stations while your officers have to do with the actual program content; is that correct?—A. Yes, but at our request they co-operate in monitoring any cases of alleged infringement of regulations.

Q. Transport does that, too?—A. Yes.

By Mr. Ross:

Q. They operate in all provinces, do they?—A. They act as our agents in that respect.

Q. While you are talking about that, I should like to ask this question. I have often wondered why, when an announcement is made on something that is recorded, they say, "The following is a recorded program", or something like that. What is the reason for doing that, if I may ask?—A. Well, it is a basic differentiation between live talent and recording. I think the origin of it is in the early days of broadcasting where there were some monstrous examples of misrepresentation. I think there was a case in point in which, at some relatively remote local station in Canada, there was supposed to be assembled on the same day Paderewski, Madame Melba, the Prince of Wales and Mr. Baldwin. That was an extreme case. On the whole, it is better to take the listener into your confidence about it when recordings are used, with the exception that when they are incidental in the development of a drama—that is, when you are using a dramatic representation which involves perhaps blitzkrieg noises or something of that sort,—you would not break into the drama inartistically to say, "Now we switch over to recordings of these noises." But, on the whole, it is better to keep live programs and recorded programs distinct.

By Mr. Coldwell:

Q. You have delayed broadcasts?—A. Yes.

Q. By means of recording?—A. Yes. That is recorded, but for a specific purpose, namely, in order to meet the requirements of another region, usually.

Q. That is the reason for that?—A. Yes. It is the time differential.

By Mr. Isnor:

Q. It has nothing whatever to do with copyright privileges or fees?—A. No.

By Mr. Claxton:

Q. I think it is on the record that the amount of time the stations are allowed to broadcast recordings or electrical transcriptions under the regulations has been increased during the last two or three years. You have a regulation on that, I think.—A. It is in the record, I think.

Q. Yes. I do not recall the page. Was that done at the request of the private stations?—A. For two reasons: partly at their request but chiefly in the public interest. There has been a great improvement in the standard of recordings. There was a time when recordings were of ordinary retail gramophone records. Since then there has been a revolution in the practice and the science of recording. In point of fact, Mr. Sarnoff, the head of the R.C.A., told me this. He said, "Actually, if you want to have the best possible radio service in programs of good music, you should never allow an artist or an orchestra near the broadcasting studio, because you can get much better results from the care which is taken with recordings, and subsequent transmission." Of course, that is not practical politics anywhere, because he had overlooked for the moment the psychological advantage of live talent. In addition to that, of course there is the further function that we must never neglect the ministry of the arts. We must never neglect our responsibility for the encouragement of live talent. But this does emphasize, incidentally, the transformation that has come over the science of reproduction by recording. So I would say it was partly the private stations—of course, it naturally helps them; but also and perhaps more important, it is to the public interest in getting the best kind of program.

Q. It naturally helps the private stations to have more time allowed for broadcasting of transcriptions and recordings?—A. Yes.

The next point that we raised was this. A question was raised earlier and criticism appears in the evidence about a series of talks given early in the war. I have already given in evidence an account of the special series "Canada at War" on page 476. This consisted of a series of forthright, vigorous state-

ments by representative Canadians, a series designed to counteract the growth of indifference to what was really at stake in the war and to the power and ferocity of the enemy.

The series "Over the Top" has also been criticized. That ran from May 1, 1940, to June 5, 1940. It dealt specifically with problems of internal security, sabotage and fifth-column activities, which experience in Europe had already indicated as part of the normal war-making methods of the New Order. It seemed important that this aspect should not be neglected. I was fortunate in securing the help of a former governor of the Canadian Broadcasting Corporation, Colonel Wilfrid Bovey, whose job in the ordinary way is to be in charge of extra mural activities at McGill University, but who is now in charge of important parts of the educational work of the Canadian Legion for the Canadian army at home and abroad. He was on Sir Arthur Currie's staff and had a very distinguished war record in the last war. He is now a member of the Quebec legislative council. Colonel Bovey not only helped in selecting the speakers, but he also gave an introduction to each of the talks. He struck the note of the whole series in his introduction to the first talk, which was given on May 1, 1940, by a Norwegian in Canada whose identity must be protected for obvious reasons. Here is the introduction, which is typical of the introductions to each of the series:

"A few weeks ago the people of Canada put the government of Canada back in office. They voted with a perfectly clear understanding of the single great issue before them. They gave their government a mandate. A mandate means an order, and no government of Canada has ever received a more definite order than has this one. It is to carry on this war with every resource that Canada possesses. It is not easy here to realize what is happening in Europe, even with all our newspapers and all our radios. Before the war some of us thought of Hitler and Goering and Ribbentrop and the rest as just another government with which we could make a treaty. Only by degrees has the truth come out, and what an appalling truth it is. Germany has come under the heel of a crew of racketeers with millions of followers. Their lust for power is only matched by their unbridled greed and their ruthless cruelty. The leaders prepared for action by corrupting their own youth. The youth of Germany were deprived of their minds. They became robots in the hands of the gang ready to kidnap, torture and murder on command. Austria and Czechoslovakia were seized. There was little resistance. The gangs' machine gunners saw to that; they still see to it.

Mines and factories, railways and steamships, passed to the hands of Hitler and his friends, millions flowed into their pockets. There before them lay Poland with wood, which they wanted for munitions, oil, and fertile land. You all know how the gunmen made a shambles of Warsaw; you all know how they are killing off the Polish people. We were too late to save Czechoslovakia; we were too late to save Poland. Let us not be too late to save ourselves. Let us face the real danger with open eyes. We are fighting now not for any vague theory; we are fighting for our freedom and our lives. There is no need for doubt, much less for despair. The clever liars of the German radio have told us over and over again that their forces were never beaten in the last war. Never beaten! They were hunted out of the air and off the sea; they were driven out of the most formidable land lines ever built till then. The four Canadian divisions alone defeated fifty-seven German divisions in the last hundred days—and that we can do again.

The German munitions makers began to build new industries; they opened new mines; in their stolen territories they set up huge new furnaces to make steel from Austrian iron. But progress was too slow. Iron and guns could be got from Sweden. Goering and his millionaire associates would make some money too. But Sweden must be shut off from the west, if supplies were to be secure; the gang seized Norway. They thought they could turn that country into a new

West Wall. They cannot do it. Listen to a Norwegian-born Canadian who will tell you why. I must not tell you his name, but I can tell you that every Canadian of Norwegian origin would be proud to have him as a spokesman." The talk that followed was given by a Norwegian in Canada whose name must still be withheld. The other contributors to the series were as follows:

A Protestant Minister	— Rev. J. Maxwell Allan, May 8, 1940.
A French-Canadian	— Hertel Larocque, May 15, 1940.
A Legionnaire	— Colonel C. H. L. Jones, May 22, 1940.
A Professor	— Squadron Leader Loudon (now Wing Commander) May 29, 1940.
A Roman Catholic Priest	— Rev. Father Frank Wood (now Bishop Wood) June 5, 1940.

Their names were not revealed at the time for reasons which were explained. The warnings contained in these addresses were abundantly justified by subsequent events. The series ran its normal course. It was not meant to continue indefinitely. The understanding was that it should be resumed if there was need for further warnings of this kind. Unhappily, however, the march of events in Europe and elsewhere provided convincing and decisive arguments which did not require any further illustration.

Q. You say that series continued its normal course. Was it actually completed?—A. Yes. There were six planned and six given. It was suspended. There was no intention of giving at that time more than the six that I have described.

Q. Going back to the McCullagh broadcasts, might I ask if they were the first broadcasts of any general character, when he spoke on the C.B.C., during the war?—A. No. They were one of a number of series. I will just look up the dates on that. In order that you may get a true picture of that period I should like to make a suggestion. I have not got the whole talk schedule in front of me, but I will bring it forward so that you can see exactly what was said. If you will allow that to be produced, I can produce a list of all the talks of the period from September 5 to December 31.

Q. When the McCullagh talks were begun, were they part of a series or was the series added after the McCullagh series had begun?—A. No. They were part of a series definitely planned. There were many other talks, because that series did not begin until October 29. I should like to have an opportunity of bringing this forward accurately and in detail.

By the Chairman:

Q. What year was that?—A. 1939. If the committee would permit a report of that kind to be brought forward, I shall have detailed information available.

By Mr. Claxton:

Q. Could you look also at the period at the end of 1940 to see if it is not so that, at one period, the only Canadian talks of C.B.C. origination were those in the series by R. B. Farrell, whom you mentioned, and those in a series by R. S. Lambert? The only other war talks in that period were those originated by the Office of Public Information, "Let's face the facts." Would you check that at the same time?—A. It would be convenient if you would give me the dates.

Q. That is said to be at the end of 1940; at least, I suggest that is at the end of 1940.—A. I should like to have an opportunity of bringing forward a complete survey of the talks for the last quarter of 1940 and for the period of September 5, 1939, to December 31, 1939.

There was a question about a news story on Mr. Cardin's resignation. That was a question which Mr. Hansell raised yesterday, I think. On Sunday, May 10, the *British United Press* carried a news item quoting authoritative sources in Ottawa to the effect that the Honourable P. J. A. Cardin, Minister of Transport and Public Works, had resigned over the conscription issue. It was also stated that there would be a caucus of Quebec Liberals at 9.00 a.m. Monday morning to consider the matter.

The *British United Press* item, which was carried over some private stations is appended.

The directive issued to C.B.C. news personnel regarding the handling of speculative political stores reads as follows:—

14.54 *Speculative Political Stories.* Stories may occasionally come from the news agencies dealing particularly with political developments or forecasting government policy.

Section 14.16 in the General Directives on News Policy says that "speculative comment should be used only if it comes in the body of a news story and is quoted from an authoritative source."

In other words, if a political leader—or a member of the cabinet—should say that there will probably be a general election in October, then the statement could be used in a news bulletin, because its news value lies in the fact that Mr. So-and-So made the statement and it can be attributed directly to him. If the statement has serious implications, it would be sound policy to check back through the agency supplying the story and, if necessary, use the long-distance "phone and get the person concerned to verify the statement before including it in the bulletin."

If a story of this speculative type comes without quoting an authoritative named source; it should not be used. This applies to all such stories starting "It is learned in Ottawa to-day" or "Reliable sources believe," etc., etc.

It is difficult to lay down hard and fast rules to cover contingencies of this type; it is a matter for the exercise of good sense and intelligence.

And I might add, for observing the rule, "When in doubt, don't."

On Monday afternoon, May 11, the C.B.C. carried the following special item at 3.25 p.m. following the announcement that the government was asking parliament to amend the law on compulsory military service:—

Just before he introduced this bill, Prime Minister Mackenzie King announced to the house that the Minister of Transport and Public Works—the Honourable P. J. A. Cardin—had resigned. Mr. King read correspondence in which Mr. Cardin said his resignation was due to his inability to support the government on its compulsory service policy.

I think it is not necessary for me to read the whole despatch of BUP; but if it is so desired, it can be put on the record.

By Mr. Coldwell:

Q. That was not put on the air though by the C.B.C. on Sunday?—A. No.

Q. Because you had no specific information regarding it? Is that the idea?

—A. I have reported what was done.

Q. Yes, I see. But that is the reason?—A. Yes.

The BUP despatch referred to by Major Murray is as follows:—

British United Press News Item Carried by Some Private Stations—

BULLETIN—1ST LEAD

By NORMAN MACLEOD—*British United Press* Staff Correspondent.

OTTAWA, May 10. (BUP).—Transport Minister P. J. A. Cardin has handed his resignation to Prime Minister Mackenzie King, authoritative quarters revealed to-night.

Neither Cardin nor King had confirmed the report by mid-evening, but a highly placed government spokesman said it was a "justifiable inference" that the senior Quebec minister's resignation had been tendered.

Cardin, however, refused to deny it and it was thought that lack of official comment was due to the failure of Governor General, the Earl of Athlone, to act upon the resignation yet.

Cardin was reported to be planning to retain his seat in the House of Commons and lead an anti-conscriptionist group from his own province. Observers placed his supporters in such an event as between fifty and sixty members.

First step toward forming such a group was expected to be taken at an emergency meeting of the sixty-five Quebec Liberal members called for 9.00 a.m. tomorrow. The summons for the caucus was sent by wire to French-speaking M.P.'s today summoning them back to the capital on tonight's train.

Speculation as to what course King would steer was heightened by the presence in Ottawa tonight of Philippe Brais, member of the Quebec Upper House, and Hon. J. S. Mathewson, Quebec Provincial Treasurer.

Rumor was strong that Brais, who has frequently been mentioned in the past as a cabinet possibility, would enter the ministry as Cardin's successor.

The sudden resignation, which greatly heightened tension in the capital over the conscription for overseas service issue and drew more finely the line between the pro-conscriptionists and anti-conscriptionists was a sequel to a cabinet split over the question, reported by British United Press last week.

The cabinet division arose when the government sat down to consider what step to take as a result of the April 27th plebiscite. One faction of the government, reportedly led by Defence Minister J. L. Ralston and Navy Minister Angus L. Macdonald, was said to want to use the government's wide war-time powers to impose conscription for overseas service immediately, in view of the overwhelming approval the government had received when it asked the people to free it from its pledge not to bring in conscription. The other faction supported by King himself was said to favour taking the question into the house for a full-dress debate.

A compromise was suggested Friday, when King announced he would introduce a bill tomorrow to amend the National Resources Mobilization Act. The amendment was understood to be the repeal of section 3 of the Act, which bans the conscription of men for overseas service.

Cardin is said to contend that the government has secured the freedom of action for which it asked, and that it should make no move to implement conscription at the present time. The situation in anticipation of which the government sought to free its hands has not yet arisen, and there is no need for conscription yet, Cardin is reported to maintain.

Cardin would make no statement tonight. "At the moment I can only say that I have no comment to make", he told the British United Press.

Cardin, the only veteran French Canadian Minister from Quebec in the King cabinet since the deaths of Justice Ministers Ernest Lapointe and Senator Raoul Dandurand, is 63 years old, and has been in poor health for some time.

He first entered the house in 1911, and has been a member of all Liberal governments since 1924. For many years he has been regarded as the political genius behind the Federal Liberal machine in French-speaking Canada. His reputation as an organizer gave him a practical importance in party eyes that equalled, and in some respects surpassed, that of Lapointe.

Cardin campaigned in Quebec for a "Yes" vote in the plebiscite, but his own riding of Richelieu-Verchères repudiated his advice by a vote of almost five to one. And his province voted "No" about three to one."

By Mr. Hansell:

Q. Might I ask if there is any regulation governing the filing, shall we say, of news broadcasts by private corporations? For instance, could the announcement that was made over a private station that Sunday evening be located?—A. In theory, they are supposed to have available all copies of news broadcasts; and that should be available to us on being required.

Q. My point was this. Of course, the Cardin incident is only illustrative of a point. You understand that?—A. Yes.

Q. I brought that out only to illustrate the point I had in mind. I came up from the city, and an announcement was on the bulletin board about Mr. Cardin's resignation. I cannot say whether or not it was an announcement that his resignation had been reported. I cannot say now as to the definiteness of that announcement. I tuned in on the C.B.C. in the evening because my interest was aroused. No news came. A half hour afterwards, tuning in to a private station, bang, like a crack from the sky, "Mr. Cardin has resigned." My immediate reaction was, "I wonder if anyone sitting at home like I am would think that there had been any government interference?" I can understand the position of the C.B.C. Since asking that question yesterday, I happen to have searched the newspapers, and the newspapers are quite correct in their report. The Monday morning newspapers had it that it had been reported from reliable sources and they added, of course, "This is never official—I am not quoting the exact words now but just relying on memory—until the resignation has been accepted by the Governor General." The newspaper reports were perfectly correct, although it turns out that the private station's announcement on the Sunday evening was also perfectly correct, because the resignation was handed in evidently on the Saturday. That is the date of Mr. Cardin's resignation. I only brought that up as a point. I think the point has been explained all right. I think if there is any fault at all, it is the fault of the private station's making the announcement so specific.

The CHAIRMAN: The witness yesterday made it quite clear that there was no interference on the part of the government to hush the report that Mr. Cardin had resigned.

Mr. HANSELL: Yes.

The WITNESS: Actually, Mr. Chairman, it boils down in practice to this, that we do not "take chances". We are particularly careful about speculative news. Illustrating the point, I think I might read the first three paragraphs of this BUP source upon which the private station report was based:—

Ottawa, May 10 (BUP).—Transport Minister P. J. A. Cardin has handed his resignation to Prime Minister Mackenzie King, authoritative quarters revealed to-night.

Neither Cardin nor King had confirmed the report by mid-evening, but a highly placed government spokesman said it was a "justifiable inference" that the senior Quebec minister's resignation had been tendered.

Cardin, however, refused to deny it and it was thought that lack of official comment was due to the failure of Governor General, the Earl of Athlone, to act upon the resignation yet.

I would not criticize the privately owned station for putting that out, but I would certainly criticize any of my own staff for publishing that in a C.B.C. bulletin in that form. Mark you, it turned out to be quite true and it is a tribute to the enterprise of the B.U.P. But it is a question of whether we should deal in speculation, not subject to confirmation at the time.

Mr. HANSELL: I agree there completely.

The CHAIRMAN: Yes.

The WITNESS: Mr. Coldwell wanted me to make what report I could on the organization of the C.B.C. in the early stages of the war.

Mr. COLDWELL: That is right.

The WITNESS: This is the best I can do. I think what Mr. Coldwell had in mind is special reference to the position of the Board of Governors and the management vis-à-vis the government.

Mr. COLDWELL: That is right.

The WITNESS: As I have already stated in evidence, there were discussions of what kind of organization would be best suited to war-time requirements. So far as I can discover, there is nothing on record about these conversations. I do recall being asked by the Minister, the Honourable C. D. Howe, for an account of what was being done in England. Having been there just before the war began and having kept myself up to date, I was able to tell him. In those early and very anxious days of late August and September, 1939, we were all concerned more with getting things done from day to day than with problems of correct constitutional procedure. Decisions had to be taken rapidly. Eventualities had to be allowed for. There was real anxiety on the possibilities of sabotage, fifth-column activity and so on. Precisely as in the case of the United Kingdom, we were venturing on uncharted seas, the predominant consideration being the security of the state, the safeguarding and stimulating of public morale and the establishment of a sound psychological basis on which to build a vigorous prosecution of the war. In the United Kingdom the normal operation of the Board of Governors of the B.B.C. was suspended. I do not know how it was suspended, but in practice it was suspended. I presume it was through the Postmaster-General.

By Mr. Coldwell:

Q. It would be a ministerial decision?—A. Oh, yes. The Board of Governors of seven was reduced to a board of two—that is, the chairman and vice-chairman—who identified themselves with the day-to-day working of the corporation, acting under direct instructions from the government. After this, as already given in my evidence at page 457, the full board of the Broadcasting Corporation was restored, but the spoken word part of British broadcasting became the direct concern of the Ministry of Information, the British Broadcasting Corporation's independent activities being concentrated on entertainment. In Canada there has been no parallel change; although it might be argued that in practice, for a few weeks after the impact of war, the management dealt directly with the government. I should like to add to that, although I do recall telling Mr. Howe what was happening in England, he certainly gave no opinion, either on behalf of himself or on behalf of the government, as to what would be the ideal wartime organization of this kind of business.

Q. Were the governors notified of the possibility of the abrogation of the board during the war at this time?—A. There was no notification.

Q. No notification at all?—A. No formal notification. I had conversations with individual governors. They were giving thought to the matter. My own view very definitely was, as it still is, that it has been of enormous advantage to Canada that the constitution has been preserved; because it is a matter of not a little concern in the United Kingdom, despite the difficulties of war, as to whether or not the British Broadcasting Corporation will be able to get back the same degree of independence once it becomes, as half of it has become, a part of normal government operations.

Q. That was precisely at the basis of my questions, I may say, as to where the suggestions came from and so on. The basis of my question was really—to be perfectly frank about it—as to whether or not there was any disposition on the part of the government, the minister or yourself or anyone else to abrogate the powers of the board for the duration of the war; because I thought if that were done, it would be a very dangerous thing to do. That is why I wanted to get the explanation as to what did happen at the beginning of the war, to see whether we had any people who had the idea that the Board of Governors should be dispensed with.—A. I am glad to be able to give an absolutely categorical and definite reply to that. With that single exception of those few weeks, in which there was the pressure of events, as I say—the impact of a new set of experiences—we went on without any question of constitutional change; and the ordinary processes have continued.

Q. I agree that it is most important that the corporation shall act independently of any influence at all.—A. Now, I was asked about pamphlets—this series of pamphlets “Five Years of Achievement”. Copies were circulated early in the proceedings of the committee. The decision to publish this was, of course, approved by the board. It was felt that as we had nothing parallel to the B.B.C. publication, *The Listener*, or even a handbook, the fifth anniversary—which was last November—was the right occasion on which to bring out something which would contain at least the facts of what had been done in the five years. Although I have not got the authority of the board yet, I had hoped that this would lead ultimately to the setting up of an annual publication, a C.B.C. Year Book, which would be parallel to the year books published by the other broadcasting organizations, principally the B.B.C., which explains much more than can be set out in an annual report and for which there would be no charge because it could be sold at cost. Anyway, this was a tentative experiment on a small scale. The printing was limited to 5,000 copies, and no attempt was made to sell it. I will describe to you how it was distributed. There were eleven pamphlets in English as follows:—

Organization and Finance; Engineering; Drama; News; School Radio; War Effort; Special Events; Talks; Agriculture; Music; The French Network.

I thought the pamphlet on the French network in English was an especially important one, because we were acutely aware of the lack of information in the other parts of Canada, particularly in universities about what the French network was doing. Then, of course, there was a pamphlet in French about the French network entitled, “Progrès Radio-Canada”. Of these, as I have said, approximately 5,000 copies were published. The pamphlet on “School Radio” was in such demand that we had to reprint it and 11,000 copies were circulated. Very great care was taken in the circulation of these pamphlets. They were not sold, but they were put into the hands of people who we thought would desire the information and would encourage the development of perhaps a more intelligent understanding of the history and operations of the C.B.C. Copies were distributed to all members of the Senate and House of Commons; to music and drama organizations; professors and lecturers in English, classics, psychology and philosophy in universities, colleges, etc.; presidents of universities; heads of extension departments and faculties of education; ministers and clergy, selected;

chairmen and superintendents of city school boards and chief inspectors; principals of high schools and technical schools and collegiate institutes; colleges and universities of higher education; women's national clubs; departmental officials of provincial governments; leading civil officials; leaders of the civil service; boards of trade, labour unions and so on; libraries—all very carefully selected.

The total costs involved in these booklets are as follows:—

Printing	\$7,713.58
Editorial	1,187.21
Distribution	768.68
	<hr/>
	\$9,669.47

I have no hesitation in saying that an assessment of the favourable results in terms of growing understanding more than justifies this expenditure. Perhaps it is also fair to observe that against those costs we can set off a sum of about \$1,000, the profits on other publishing activities of the same period.

Q. Major Murray, we discussed very briefly the possibility of the corporation publishing a periodical of its own. I suppose the war will interfere with that, but I hope that it will be kept under consideration. I am just speaking for myself, but I should like to see something like *The Listener* put out by the Corporation.

Mr. SLAGHT: To whom would you circulate it?

Mr. COLDWELL: It is sold in Great Britain.

Mr. SLAGHT: It pays its own way?

Mr. COLDWELL: Oh, yes.

By Mr. Claxton:

Q. That has been under consideration by the board and management, has it not?—A. Yes. Personally, I feel that the war might almost be an additional argument for starting it.

Mr. COLDWELL: I am glad to hear you say that.

The WITNESS: Having myself started *The Listener*, I am not an unbiased judge in this matter. The matter of *The Listener's* financial history has been raised. There is an interesting sidelight on that. When *The Listener* was started, we in the B.B.C., by general understanding with the press, had to have an agreement with the press about another publication, there being already *Radio Times*, *World Radio* and a few occasional publications. The press said that they would agree to this provided we undertook not to make a profit; in other words, that if there was any money over, it would be put back into the paper. That turned out to be a great blessing, because it enabled us in *The Listener* to put out, on appropriate occasions, fully illustrated sections which contributed very materially to the artistic education of readers. The circulation at one time reached 150,000. It was never run at a loss. It was of extraordinary value to the educational work of broadcasting. This is what is being borne in on me more and more as we develop this educational side of our work; we are going to lose so much of its value if we have not got the sustained support of the printed word.

By Mr. Coldwell:

Q. Is it a war casualty? I may say that friends used to send it to me, but I have not received it lately. Is it still being published?—A. Yes.

Q. Or is it a war casualty?—A. Oh, no.

Q. I have not received it lately.—A. If you are interested, I can send you copies.

Q. Thank you very much. I always enjoyed it.

By Mr. Tripp:

Q. Would that publication contain programs for, say, a month in advance?—

A. No. That is a different publication. That would be *Radio Times*. As I envisage a radio publication of Canada, we could hardly afford the luxury of two or three. As I envisage it, there would be as accurate as possible advance information about all programs. There would also be selections from the best talks, the educational series, and a general magazine section relating to the work of broadcasting in general. That would have to be arranged regionally. First of all, of course, it would have to be printed in French and in English. Then there would have to be regional inserts so that copies for distribution in the prairies would have as much as possible for the regional information there, but that would not be duplicated in the Maritimes or in British Columbia. This problem has all been worked out; and I, at least, have been convinced of its feasibility.

By Mr. Coldwell:

Q. I hope you have convinced the Board of Governors.—A. Well, ask Mr. Nathanson.

By Mr. Claxton:

Q. Has it been under consideration by the Board of Governors recently?—

A. Yes.

Q. As well as in the past?—A. In fairness to them, I may say that they feel it is not an enterprise which should be begun in wartime. They think that it is speculative. I do not agree that it is financially speculative. I do think that in the first year of operation one would expect to put a good deal of money into it. But it would, I believe, follow the example of *World Radio*, which lost a certain amount of money the first two years. That is a weekly publication in the United Kingdom with foreign programs. They lost a certain amount of money in the first two years and got it all back afterwards. I think this probably is established, that if it is well run and is attractive to listeners, there will be no difficulty about advertising; because it seems to me that automatically the national advertisers on the air would want to go into such a publication.

By Mr. Coldwell:

Q. You would not fill it with soap, though, would you?—A. I am told that the process of cleanliness is nearly complete.

By Mr. Tripp:

Q. From the sales point of view, I think it is very important that you have contained in that publication your programs in advance?—A. Oh, quite.

Q. I know the public are very anxious for such a publication.—A. That, of course, is a main reason for its existence. We cannot, especially in wartime, expect the newspapers to devote as much space as we require. It is a most discouraging reflection, but a great deal of the best effort of broadcasting is lost because people do not know what is coming on, and it is a hit and miss business of turning the dial.

By Mr. Slaght:

Q. What is the period of publication of the English one?—A. Weekly.

Q. Weekly?—A. It goes to press six weeks in advance; or it did, under normal conditions. It has had a circulation as high as 3,000,000 a week. Of course, the profits were prodigious.

By Mr. Coldwell:

Q. What did that sell for—a shilling?—A. Two pence. *The Radio Times*—two pence.

Q. I was thinking of *The Listener*.—A. *The Listener*, three pence. The great anxiety of the press was that it would drive out of existence papers like the *Spectator*, the *Statesman* and *Nation*. We followed that very carefully, and found that they actually benefited from its entrance into the field, or at least it certainly did not damage them. Their circulation increased, so we took credit for their increased circulation.

By Mr. Hansell:

Q. There was a very small publication which used to be gotten out by somebody in Calgary, giving the schedules for the week. I do not know how successful it was as a financial venture, but I know that most of the advertising in it was from radio dealers, electrical firms selling radios, and washing machines, and repair shops. I know that I used to be very anxious to get that. You could buy it or the Victor people perhaps would have a stack of them there and you could take one. It could not have been a tremendously large financial problem if the dealers had them to give out.—A. I believe there are local papers of the kind in existence in various parts of Canada now that carry program information. But it has never been tackled on a nation-wide scale.

By Mr. Slaght:

Q. You spoke of considerable investment expense involved. Would that mean in actual printing plant and so on? It would occur to me that your only expense—at first, at all events—need be in staffing and editing, and of course in paper and printing. Why could it not be job printing?—A. Well, it is not capital investment. I think one would, as a measure, of prudence, not expect a profit at first; certainly my experience tells me that you should not anticipate working on a profitable basis for the first year. You would have to say that a certain sum will be kept aside for operating. You would have to enter into a contract with the printers, and the problem of distribution would have to be faced. One proposal is that distribution should be by airmail. It certainly would be advantageous by airmail. Then there is the question of arranging your regional inserts at regional centres. What I meant by cost was that sort of thing. It is not capital cost. The editorial side is never a very expensive item.

By Mr. Coldwell:

Q. Would it be necessary in this country to do that by airmail when we have a train service of four days to Vancouver now?—A. Well, it might not be. But what one wants to do is to keep the listener as close to the latest correction as possible, because the degree of accuracy of a paper like this is enormously important. There are so many changes, particularly in wartime and particularly in the American programs, that the closer we can get to the actual last correction as reflected in what is printed in the page, the better.

By Mr. Slaght:

Q. Your airmail would be merely putting money from one pocket into the other. The postal people collect on the airmail or Trans-Canada do. Both of them are government-owned and operated activities, so that I would not think that the expense of airmail need be a serious problem.—A. Frankly, I have not studied the details of this recently. It might be that the train service would be adequate.

By Mr. Coldwell:

Q. You said just now that *The Listener* went to press about six weeks ahead of publication?—A. No. That is *Radio Times*. That is a big job. *The Listener*

never printed more than 150,000. It came out on a Friday and it would go to press on Tuesday of the same week. That is a small job. The business of printing of 3,000,000 copies is a big job.

Q. Yes. I misunderstood you.

By Mr. Claxton:

Q. Mr. Chairman, I have felt strongly for some time that it is very desirable that the C.B.C. should have a publication, and perhaps we might revert to that later. But I wonder if I might interrupt now with regard to another matter. I have to go to a meeting, and I wonder if I might revert to the question of broadcasting reports of speeches that was raised earlier. I do not want to take up the time of the committee unduly, but I think if you do read the C.B.C. account on page 677 and the Canadian Press account on page 676, you will find that there is a very slight shading and change of emphasis, which is probably quite accidental, between the two. However, I do not want to go into that. What I would suggest is that C.B.C. report, as it came out, based on the Canadian Press report, is hardly a fair report of either Mr. Crerar's speech or the proceedings in parliament on that day. On that day there were Messrs. Bradette, Roy, Crerar, Raymond, Turgeon, Gray, Abbott, Mrs. Nielson, Mr. Bertrand (*Laurier*), Mr. Eudes, Mr. Gingues, Mr. Rheame, Mr. Jean and Mr. Denis who spoke. I recognize the difficulty of selectivity. But I do suggest that to put in a short passage or short note about Mr. Gray and Mr. Crerar as what happened on that day is hardly in accord with the desideratum expressed by the general manager in his explanatory note where he says there is also consideration that during parliamentary debates the various shades of opinion should be represented in an unbiased radio summary. I recognize the difficulty, but I think on that particular day there was some justification for my suggestion that it was hardly a fair report.—A. There were twenty-five pages of war news to be concentrated, Mr. Chairman. That was a very unfortunate day. If it would be of interest, there is a complete night summary.

Q. I realize that difficulty, and I realize the difficulty of summarizing anything, particularly a parliamentary debate. But I do suggest that the two sentences summarizing Mr. Crerar's speech did not give a fair picture of what he said, although it may be a fair reflection of what the Canadian Press said. So even there, there is a slight change in shading. Therefore, I think my question about it was once more justified.—A. There was a question raised yesterday, which Dr. Frigon left over for me, about the progress of negotiations about the new arrangement for news. As I reported to the committee in evidence, the Canadian Press have asked for a new contract and there was a meeting with representatives of the Canadian Press and the finance committee of the Board of Governors last Saturday in Montreal. I told that meeting that I probably would be expected to give some account of the proceedings, and it was agreed that all I could say was that cordial negotiations are continuing. There is no further conclusion, and I was specially enjoined not to give any detailed account of what was happening. When these negotiations take another turn, and when it may be appropriate to describe what is being done, I shall then bring forward a report with the concurrence of the Canadian Press and the Board of Governors.

In order to make the evidence complete to date, there is only one point to add. I said before, in answer to a question, that the British United Press did not put in an application for payment under the new contract. I am now informed that they are about to do so. They will expect the same or similar treatment as may be agreed with the Canadian Press. That brings the committee up to date on that particular point.

By Mr. Hansell:

Q. Do I understand, Major Murray, that, therefore, you will not have occasion to report to this committee on that meeting?—A. Oh, yes. What I meant to convey was that when the negotiations have reached a stage where something substantial may be recorded, then with the agreement of the negotiators, I shall bring forward an account of what has happened.

Q. Of course, that might happen after we are through. I had one or two suggestions to make, and that is all. I can make them later, if that is necessary.—A. Well, I think it might be of considerable value if they were made now.

Q. My knowledge is not expert in respect to the costs and the many ramifications there are in the collection and distribution of news. I am not a journalist. However, my understanding is that it costs an enormous amount for press associations or news services to gather news, and that they have some method of selling it. I do not expect you, Major Murray, to answer this, although if you have any knowledge of it—and you may—you may want to. I understand that various daily newspapers in the country have, shall I say, memberships in news agencies. They pay so much for it or they pay so much for news. Here is a paper that perhaps has twelve or sixteen pages. They would not require as much news as a larger paper with perhaps fifty or sixty pages. Therefore, they would not pay so much for their news. They would not use as much. There are many things like that. Now I get to my suggestion. I believe that news is public property; that is to say, news belongs to the people. Of course, we cannot expect that news agencies are simply going to gather it for nothing. That goes without saying. I am wondering if a good policy would not be for the news agencies or the press to be subsidized whereby the news that they gather is the people's news and paid for by the people. Whether a paper be large or small, whether it be a government broadcasting corporation or a private broadcasting corporation, the news belongs to everyone. In substance, that is my suggestion.—A. Well, Mr. Chairman, that raises broad issues with which, I think, I am not entitled to deal. I know more about the practice than about the theory. In practice there have been some interesting experiments. Without making any comment on the most attractive theory—most attractive to me now—that news should be inherently the property of the public, news agencies and others who deal in news have to spend money on getting it. That is the problem they are faced with. The old Reuter's agency, under its former organization, not under its present one, used to be subsidized in various countries of the world. That was one of the reasons that some of the newspapers in the United Kingdom did not care to take the old Reuter's service. I am now speaking from memory, but I believe that during the last war the Canadian Press received a subsidy from the Canadian government, but they afterwards turned it down or declined to allow it to continue because they felt that as they were a co-operative news agency—in other words, they were practically the whole of the newspapers of Canada—the receipt of a subsidy from a government source might involve consequences to their independent editorial judgment. Therefore I believe—although I am speaking from memory—that it is part of their permanent and considered policy to avoid that.

Mr. COLDWELL: I have a comment to make on this. I am in agreement with Major Murray. It may surprise some of you to know that. I think there are certain fields in which the government ought not to be the subsidizing agency or a controlling influence. I think the publication of news, the gathering of news and the publication of newspapers is something that ought to be preserved to co-operative organizations that are not in any way controlled by the the government, so that we may have an absolutely free press and free public opinion. The moment government steps in to subsidize the gathering of news,

suspicion is immediately aroused as to colouring the news, and undoubtedly that might happen any time. I think the co-operative system of gathering news to-day by the Canadian Press is quite excellent.

Mr. HANSELL: I do not want to be misunderstood. I was not suggesting for a moment that the government, by subsidizing the press, should control the press. I am against control of the press, as far as that goes. In the matter of editorial policy, I believe that should be absolutely free. I am speaking now purely of news. What appears as a news item is an entirely different thing from what might appear as an expression of opinion by the editor in his editorial columns.

Mr. SLAGHT: Mr. Chairman, an animal seldom bites the hand that feeds it. I have another surprise for you, and that is that in this matter I am in accord with Mr. Coldwell.

The WITNESS: Mr. Chairman, it is well to keep in mind that we have an unfortunate example of the full application of the subsidy problem in D.N.B. Germany; Stefani, Italy and Domei, Japan. That is a straight subsidy. I am not giving any opinion. I am only providing information from recollection, because any basic social or political adjustment involved is outside my province.

By Mr. Slaght:

Q. The Japanese one which you mentioned is absolutely state-controlled?—

A. Yes; Domei.

Q. They feed the public what the government wants them to have?—A. Yes. The same applies to D.N.B. and Stefani.

By Mr. Ross:

Q. I am certainly in agreement with Mr. Coldwell and Mr. Slaght, but I was just wondering about this: Perhaps you do not know it, but the news is paid for by membership papers, is it not, according to the coverage of the paper? Is that not the way it is done?—A. By an assessment.

Q. I beg your pardon?—A. There is an assessment worked out.

Q. Yes, on their circulation. And the news collected by those agencies is available to all membership papers. Is that not so?—A. That is in the case of Canadian Press. But B.U.P., of course, is not a newspaper-owning organization. It is a news collecting agency.

By Mr. Coldwell:

Q. It sells its services?—A. It is purely a news agency. It is not a co-operative newspaper organization.

By Mr. Hansell:

Q. Continuing on the same line as we were pursuing a moment ago, I do not get the reasonableness of the argument that because the government subsidized the press they would, therefore, control it. The same argument would apply should the government subsidize the C.B.C.—A. I think it would, very definitely, for this reason if no other, that if there was a subsidy, there would be automatic debate; and you are bound to get political influences at work of various kinds from year to year. The problem is the practical one of whether you can give a government subsidy to any kind of activity and still keep it out of politics.

Q. Well, my answer to that would be that you could.—A. Well, I just put the problem, because I am not competent to judge.

By Mr. Tripp:

Q. Quite a bit is dependent upon the definition of news, is it not? I asked one newspaper man if he could define what was news. He said, "If a dog bit a man, that would not be news. But if a man bit a dog, that would be." That was his answer. How would you define news, Major Murray?

Mr. COLDWELL: North, east, west and south—everything that happens.

Mr. SLAGHT: Fiction dressed up as truth.

Mrs. CASSELMAN: I think that perhaps is frequently one difficulty with the newspapers. They want to have sensational, "dog-bites-man" news; whereas news is not sensational, very frequently, but is just the ordinary way in which things are carried on. It does not need to be dressed up.

Mr. COLDWELL: I think that is right. Of course, I believe the yellow press is something of a menace, but I do not know.

Mr. SLAGHT: An illustration of that is the report of court proceedings. Suppose there is a murder trial going on and on a certain afternoon or evening the jury bring in a verdict; if they bring in a verdict of acquittal, it will get half a column. On the other hand, if there is a verdict of guilt, it will be splashed all over the front page, with pictures of the sheriff bringing the prisoner to the jail and all that sort of thing. There is one illustration of that.

Mr. COLDWELL: It might be all right for counsel who are trying to build up publicity.

By Mr. Slaght:

Q. Before you leave us, Major Murray, I should like to ask another question. I am still specially interested in the question of a Canadian short-wave broadcasting station. I have not heard anything of it for two or three weeks. Is there anything on the horizon that you could tell us about?

Mr. COLDWELL: Oh, you have not been here. You have not read the record.

The WITNESS: We are still exploring the other side of the balance sheet, Mr. Chairman. It is all in the evidence as to what happened. The situation, I think, has not been disadvantageously compromised.

Mr. COLDWELL: That is good.

Mr. SLAGHT: I will look it up in the record.

By the Chairman:

Q. Will you proceed, Major Murray?—A. There is this final point. I think it was raised by Mr. Ross who wanted some illustration of the contributions by privately owned stations to our sustaining programs and an explanation of the normal procedure. An illustration is that program by station CKY in Winnipeg, Pelham Richardson's orchestra, which may also be interpreted as an exchange program from the Manitoba Government Telephone System to our western network. Then I have already mentioned the program, the Merry Islanders from Charlottetown, and I should add to that Bruce Holder's music from Saint John, New Brunswick. Those are programs which have been developed by the C.B.C. in co-operation with the private stations, although we pay for them. They are, however, performed and produced in private stations under our supervision. I do not think that any useful purpose would be served in bringing forward a long list of programs of this kind over the years. I am just giving you some examples. Nor is there any adequate information or accurate information available as to the amount of sustaining programs built on live talent produced in private stations. I can hardly get at it. Now, as to the procedure. The private stations on the network are being used frequently for developing our own programs, as contributions to the network. C.B.C. pays the total production cost including the artists' fees and in addition to this we pay to the station an organization fee based on a set tariff of \$7.50 per quarter hour, \$15 for a half hour and \$30 for one hour. That is the procedure on net-

work origination. As I said before, I feel that it would be better for community artistic resources generally if we could spur the private stations on to build up more programs of a sustaining character worthy of distribution, either regionally or nationally. I am hoping that this matter will be discussed with Mr. Bannerman when, as I hope, you have him on the stand. Apart from the general conspectus which is built as the proceedings go along, and which will be ready after the other witnesses have been called, I think this clears up my notes.

By Mr. Ross:

Q: I just have one question I should like to ask. It arises from the prohibition of the manufacture of small radio sets at the present time. It almost seems to me that radio to-day is really an instrument of war, we might call it. Surely we are going to run out of radios. You would say that the radio was an instrument of war, would you not?—A. The best way I can answer that is to refer you to the evidence I have put in for printing to-day in the speeches in the House of Commons and the House of Lords last summer. It is one of the vital instruments of war.

Q. It seems to me that it is one of the things that should be on the priority list. There should be radios—possibly as cheap radios as they can make—available so that people can have them. It is going to be increasingly difficult to get radios as time goes on.—A. I might instance a relevant point. When I was in England last autumn, I had a conversation with Sir Kingsley Wood, Chancellor of the Exchequer. He was telling me of one of the problems with which they were faced. It was estimated—he had the figures—that there were rather more than a quarter of a million radio sets dependent on batteries that were out of action because they could not get replacement of batteries. The British government was taking steps to have these provided, because they realized that to demobilize a quarter of a million listeners was a very serious thing, from the war effort point of view. We should never get into the position in which the normal and indeed essential listening habits of the citizens of the country were disturbed by lack of essential material.

Q. The same thing, it seems to me, applies to batteries for these portable sets. A great many people have nothing but these portable sets, and it is almost impossible at the present time to get batteries. It seems to me that we should approach the government in some way, or the priorities board, to see if we could not get them to produce something of that kind.—A. I hope very much that you will consider in your report very strong recommendations along those lines.

Mr. COLDWELL: Yes. The C.B.C. should be regarded as a real war organization.

Mr. Ross: Yes. I think it is very important.

Mr. SLAGHT: Mr. Chairman, I would not want the committee to have the idea that I had willingly absented myself from its important meetings. The fact happens to be that I am on the Defence of Canada Regulations committee, and through hard luck, that committee has sat concurrently with this committee practically every week. I had some matters in hand there that I could not leave. That accounts for my absence here.

Mr. Ross: I suggest that the few remarks that we have made in connection with Mr. Slaght not being here might be removed from the record.

Mr. SLAGHT: Oh, no. I do not mean that.

By Mr. Hansell:

Q. Before Major Murray leaves, there is something I wish to ask about. I brought up a question yesterday in respect to appeals for funds over the air. I

discovered a letter that I got some time ago. It was from a town called Vermilion, which is in the northern part of Alberta. The letter reads this way:

I understand the authorities are not allowing churches and religious bodies to appeal for funds over the air. Many of us strongly object to this, as this is one of the only ways these bodies have of making their financial needs known. It is the only way we have of knowing if their broadcasts need financial support.

The CHAIRMAN: Mr. Hansell, Major Murray dealt with your question at the beginning of the meeting before you arrived.

Mr. HANSELL: All right. I will read it in the evidence.

The CHAIRMAN: He explained the various reasons for those regulations.

Mr. COLDWELL: Before we rise, I should like to correct an error in the record at page 653. An answer is attributed to me which was given by Mr. Baldwin. I should like that noted. It does not make the record read properly.

The WITNESS: There is another error which I noticed accidentally. It is an answer which was attributed to you about Mr. Churchill. It should not be there.

Mr. COLDWELL: Yes. That was Church board. But I thought that was such a minor thing that I did not raise it.

The WITNESS: I nearly cut it out when I was going through it, but I thought you would see the proof.

Mr. COLDWELL: No. I had not been seeing the proofs up until recently; but there were several mistakes in the record, and I have seen the proofs since. I did not happen to catch this last night.

By Mr. Hansell:

Q. There are one or two last things that I should like to clear up and I will only take a minute or two. I have some notes here that I have made while going along. Is there any relationship between the C.B.C. and the private stations in respect to gathering and broadcasting news? What I had in mind there was that the press association or the Canadian Press, I think, have been very, very kind to the C.B.C. by giving them this service. Do they give the same service to private stations?—A. No. The private stations, of course, with regard to their news, are subject to the regulations of all broadcasting in Canada. With regard to securing their supply of news, that is in the ordinary way of business. They get their news mostly now from the two main sources, the Press News Limited, which is a subsidiary of the Canadian Press, set up for the purpose selling news for the radio, and the British United Press. There is this other main difference too, that private stations sell their news and sponsor it. The C.B.C. has as part of its basic policy that it will not traffic in news.

Q. Yes. There is just one other point that I have here. The Church of the Air comes on every Sunday. I listen to it occasionally. It is a good broadcast. Who is it that selects the speakers for that?—A. Well, there is some description of that already given in the evidence. We have a national religious advisory council on which the main denominations are represented. The chairman there now is Canon Ward of Toronto. The other denominations attend on occasions when they so desire. The speakers for the two periods on Sunday afternoons are selected by this Committee. The rotation is arranged. They are a specialist committee.

Q. I have listened to it quite a little bit and there seems to be quite a preponderance of eastern speakers. We have some very good speakers in Winnipeg, Calgary, Edmonton and Vancouver.—A. That is a complaint which

I have heard. But I think we are trying to adjust that. The prevalence of pulpit eloquence, I think, is pretty well distributed. I do not think that the west has perhaps quite the same advantage in pulpit eloquence as it obviously has in its resources of good commentators. That is an individual opinion. Anyway, you can be sure that there are no arbitrary geographical factors affecting selection.

Q. Has the C.B.C. given any consideration to a morning devotional broadcast throughout the country? There are many religious organizations available here and there throughout the country. You have some morning devotional series. I believe they are very well received, particularly by the women of our homes.—A. Mr. Chairman, what has been done in that matter is set out on page 228 of the evidence already given:

Local committees of the National Religious Council in our various production centres arrange for local broadcasts of "Morning devotions."

One quarter hour every week-day morning consisting of music, prayers, scripture reading, and a short devotional address. In some cities, too, we give coverage to local Sunday morning church services; the order of such services and the choice of churches are arranged in co-operation with the local advisory council.

Actually, to put a devotional service right across Canada in the morning is ruled out by the time factor.

Q. Yes, I know.—A. At each centre we put on a devotional period now, the central advisory council having as its parallel a locally constituted body.

Q. I see. I just was not aware of that, I am afraid.—A. I think I should like to call Mr. Hansell's attention to the whole of pages 228 and 229, in which the particulars are given of these religious arrangements.

Mr. HANSELL: There is one other suggestion I desire to make. I am not going to be too vigorous about it because I am making a rather unpopular suggestion, and I know you cannot do much about it because the demand must come from the country, but I have never relished very much the Charlie McCarthy and the Jack Benny programs coming on on Sundays as an advertising program. I know that these programs are very very popular and I know that if anyone has any objection to those programs they can turn the dial, but I am a great believer in the sanctity of the sabbath and I do not relish that type of program. I think I am voicing the opinion, not of the majority by any means of Canadian people, but of some.

Mr. COLDWELL: I think the C.B.C. has to cater to all sorts and conditions of men and women. Of course, we have a very large number of people in this country who do their religious duties in the morning and who look upon the rest of the day more or less as a day of rest and recreation. That does not apply only to one denomination; that is accepted now by various people in Protestant denominations as well as in the Roman Catholic faith. I believe the corporation is doing a great service to the church all day on Sunday. Last Sunday afternoon I happened to be listening most of the afternoon and I enjoyed the religious broadcasts. Most of last Sunday afternoon was occupied by various forms of religious services.

Mrs. CASSELMAN: And sacred music.

Mr. COLDWELL: Yes, and sacred music. At the same time, while I enjoy those religious programs I am one of those who enjoy the Charlie McCarthy program.

Mr. HANSELL: I must admit that I enjoy him too.

The WITNESS: That raises an interesting point, Mr. Chairman. In my experience elsewhere, I received a deputation at one time in my very early days

in the B.B.C. which asked that there should be no broadcasting at all on Sunday. Of course, that could not be maintained, but the next proposition, and the one which was maintained in the United Kingdom, was that there should be no broadcasting of religion during the normal hours of church services, and that has very rarely been violated even up to now. In other words, the churches definitely resisted the broadcasting of any kind of religious service during normal hours of religious services—that is from 11 to 12 in the morning and 7 to 8 in the evening.

By Mr. Coldwell:

Q. But something else can be broadcast?—A. Yes, but not a religious service at the normal periods of church services.

By Mrs. Casselman:

Q. It is hard for the shut-ins?—A. As far as I can find out, on this continent, there has never been any objection from organized religion to the broadcasting of a religious service during the normal hours of church service.

Mr. HANSELL: I do not think there should be anyway.

Mr. COLDWELL: I think that advertising should be cut out, but I realize that in the Charlie McCarthy exchange programs you cannot cut it out.

Mr. ROSS: I would like to clear up something which appears at page 564 of the reports of our committee where I said I was quoting from the Plaunt report. Mr. Coldwell asked: "What report is Mr. Ross reading from?" I said: "I am reading from my own notes, as a matter of fact, on this report. I cannot find it in the Plaunt report at the moment. I do not know just where it is." It was not in the Plaunt report, but it was in the letter of resignation which Mr. Plaunt wrote to the Governor of the C.B.C.

Mr. ISNOR: Mr. Chairman, I asked a question of Major Murray at a previous sitting of the committee with regard to special events programs such as Canada Marches On, and I spoke of the period of time, and the number of programs, and the answer was indefinite. I was going to say that no matter how good a program might be, no matter how good it might be from an advertising standpoint, no matter how good the speaker might be, I believe it can be too long. I listen to these programs—particularly I have reference to Canada Marches On—and I was delighted with the manner in which the program concerning the Halifax Rifles was handled last Wednesday. But I can see the danger of having such a program or such an event extend over too long a period. I think this matter was handled by the different political parties during the last campaign; they discussed whether they should use a quarter of an hour or half an hour or an hour, and I think it was generally accepted that the shorter period with a greater number of speakers was better for their purposes. I think some criticism and some constructive thought might be passed along to the C.B.C. No matter how good your program is you should not allow it to extend over too long a period.

The WITNESS: Mr. Chairman, I thoroughly agree with that doctrine. I think there has been some misunderstanding about Canada Marches On.

Mr. ISNOR: I used Canada Marches On as an example.

The WITNESS: The reason I said "indefinite" was that we did not know how many regiments we could get adequate material for. There was no intention to run the programs unduly long, but the point did arise as to how many regiments we could get the right material for. I am glad to know that the Halifax situation was adequately handled. With regard to the matter of the length of broadcasting, I am delighted that that point has been raised

because a good many good causes suffer more than they know by exhausting the patience of the listener if not causing him positive irritation. That is not because of any lack of quality in the program but just because it is too long. It may be that we suffer from the tyranny of the 15-minute period on this continent, but it is true that nearly every effective message on the radio can be given in 13½ minutes and for every minute the program goes beyond that there is a falling-off of interest.

Mr. ISNOR: I am glad to hear that. I have no criticism to offer about Canada Marches On at the present time, but I did hear several people criticize adversely a former program—I am trying to remember the proper name—

The WITNESS: Carry On Canada?

Mr. ISNOR: Yes. I recall that in the early stages we looked forward to it but it lagged toward the end.

The WITNESS: Another series that perhaps ran too long was "We Have Been There". We are alive to these things, but we always have to balance the appeal of the enormous and enthusiastic audience which gets associated with a special program.

By Mr. Coldwell:

Q. You mentioned the program "We Have Been There". I have often wondered why Mr. Hanson, after he and his party visited England, was not invited to speak on that program, and after our party visited Great Britain Mr. Ross Macdonald, our chairman, was not invited to appear on that program. Those are men intimately connected with the life of this country while there were other people on that program who were practically unknown. Therefore, I wondered why an invitation was not extended to those two gentlemen?—A. On one of the points I can give you an answer. You may recall that a special program was arranged by B.B.C. for recording Mr. Ross Macdonald and his party, including yourself.

Q. Yes.—A. They had a splendid program in the London Radio Newsreel, and we not only carried it at its regular time, but we featured it at another time.

Q. I did not know that, as a matter of fact.—A. That was extraordinarily well done.

Q. I knew it was put over in the newsreel.—A. It was extraordinarily well done. On the point of the omission of an invitation to Mr. Hanson, I cannot answer that at the moment. Political considerations certainly never intervene in the choice of the speaker. In fact, he may have been asked; I cannot say offhand.

Q. I do not know. I never mentioned it to Mr. Hanson or Mr. Macdonald, but the matter occurred to me when the series was going on.—A. With regard to the duration of speeches, I repeat that any educational work which members of this committee can do in influencing other public men to recognize the essential importance of brevity will be work well done.

Q. For myself, I have always tried to restrict my remarks on the radio to 15 minutes or less. I agree with Major Murray that it simply is not good to be longer. I want to thank Major Murray for clearing up a number of points which I have raised.

The CHAIRMAN: Our next meeting will be held on Tuesday at 10.30, and it is understood that the vice-chairman of the Board of Governors, Mr. Nathanson, will be present to give evidence.

The committee adjourned to meet Tuesday, June 30, at 10.30 o'clock a.m.
(Appendices follow.)

[*Extract from Official Report*]

APPENDIX A

(Page 58 to 69 inclusive)

HOUSE OF COMMONS

THURSDAY, 3rd JULY, 1941

CIVIL ESTIMATES, 1941, MINISTRY OF INFORMATION THE AETHER AS THE TWENTIETH CENTURY BATTLEFRONT

SPEECH BY CAPTAIN LEONARD F. PLUGGE, M.P.

Motion made and Question proposed:

CAPTAIN PLUGGE (Chatham): I listened with great interest to the statement made by my right hon. friend the Lord President of the Council, but I was somewhat disappointed when he referred to the transmission of our news to foreign, enemy and occupied countries that no mention was made of any proposals for the improvement of the means by which we transmit that news. I am reminded of a group of persons in a railway carriage who were discussing whether they should sit back to the engine or facing the speed, on a corner or a middle seat, when there are no railway lines on which to run the train, no permanent way. Supposing that at the beginning of the war there had been no Royal Air Force, no Fleet Air Arm, and that we had called upon Imperial Airways to fill the breach by continuing their commercial services with an arrangement by which we should allow a soldier to go aloft, for 15 minutes or half an hour at a time, armed with a machine gun. If such a course had been followed, how should we have been able to face the onslaught of the Luftwaffe? Further, if we had asked Imperial Airways to clear the air by discontinuing 80 per cent of their commercial routes and suppressing altogether their only overseas long distance non-stop service altogether, where should we have been then?

However ridiculous this suggestion may seem to hon. and right hon. members, I must point out that such is exactly what has happened to this country in the field of broadcasting. At the beginning of the war we had no war broadcasting machine, no Royal Aether Force, no Fleet Aether Arm; we created none, but we enlisted the assistance of the British Broadcasting Corporation, a commercial concern, which up till then, was internationally self-pledged to the construction and operation of stations designed solely for home use. We requested them to scuttle 10 out of their 12 wavelengths, including their only long wavelength, the only wavelength they possessed which could reach over the great part of Europe in daylight. We then asked them to grant the war effort 15 minutes talks and half-hour transmissions from time to time to foreign countries, many of which could not receive the transmission except on the most powerful sets, and to some countries that could not receive them at all at the times chosen.

When approaching the subject of broadcasting, I think I ought to make my personal position clear. I was the founder of the International Broadcasting Company. I have at various times utilized the facilities of a considerable number of broadcasting stations in many parts of Europe. In order to remove any misunderstanding, I would remind the House that these activities have long ceased owing to the war, and I therefore feel fully at liberty to speak freely on the subject. I have often received, like others, the advice—"Do not over-

state your case"; with the result that I have found myself understating very considerably, only to find my remarks further discounted, producing an entirely wrong impression. I would like, therefore, to say that I do not propose to-day to understate in any way, but to put plainly and bluntly before the Committee the desperate situation in which we find ourselves in broadcasting. It is 10 months ago since I last spoke on international broadcasting as a weapon of war in the House of Commons [Official Report, 20th August, 1940, col. 1236 and following, Vol. 364] and I pointed out then that Germany operated 112 stations, of which 24 were high-powered, working on 82 wavelengths, of which 37 were clear channels and of which seven are long waves. We were operating only two high-powered stations on five wave-lengths, and no long wave at all. I am referring only to the popular waves, medium and long waves, as these are the only two kinds of waves that are receivable on all sets throughout Europe. It is only when transmitting on medium or long-wave channels that one really can truly apply the term of broadcasting. In fact, only such waves are called the "broadcasting bands." Short-wave beam transmissions for Europe are not broadcasting in the accepted sense. The short-wave beams are really a cheap substitute for cables. Messages are received only by a picked few in the country aimed at and given wider publicity only through the newspapers or other long established means as and where and if permitted. In hostile or invaded countries such facilities are denied to our news.

Only if a short-wave beam transmission is locally re-radiated on the broadcasting bands of medium and long wave does it reach the general public and become a real broadcast. This needs no proof. How many people in this country would have heard President Roosevelt's voice had the B.B.C. not rebroadcast the American short-wave transmissions? Although the U.S.A. has had scores of short-wave stations transmitting nearly all through the day and night for years, what would the English public know about America if these short waves were not re-broadcast from time to time and if all American news were removed from the press and the B.B.C. news bulletins? Yet, as regards English news, such has been the position for years in many a country too far away from here for our medium stations to reach, but covered very adequately by German long-wave stations. Only the U.S.A. has been in the favourable position from our point of view of being immune from German broadcasting bands, at the same time being well covered by British medium-wave stations by the efficient Canadian Broadcasting Corporation with its 90 medium-wave stations.

I am sure the Committee will accept my definition of broadcasting in war-time as "a transmission sent out, wave, time and power being such that it can be received on the great majority of the radio sets of the country concerned, with the same ease or thereabouts as the local station, or at least with the same power and ease as the transmissions sent to that same country by the enemy." May I read a cutting from the *Times* of 27th December, two days after the memorable and timely speech my right hon. friend the Prime Minister broadcast to the Italian people?

There is no public response to Mr. Churchill's broadcast to the Italian people because relatively few people in Italy heard it, apart from foreign diplomatists, journalists, high officials of the Fascist Party and prominent state officials of whose duties wireless listening is an integral part. The proportion of receiving sets in Italy strong enough to pick up London is low.

My right hon. friend, the Prime Minister had spoken to the Italian people through telephone lines which were not connected to the Italian people. He had been completely let down by our technical services. He was like a brilliant writer handicapped by being allowed only to use manuscript when his enemy had

the printing press at his disposal. I have often heard it said in this House, in reference to a statement, "Has it been broadcast?" This is as if we were to inquire, "Has it been put to print?" It depends if it is printed in the National Press or in a local church magazine. It depends if it was broadcast in a manner receivable by all or just by the very few. What a difference it might have made had every Italian listener heard the Prime Minister's speech as clearly as we did. A station at Malta, such as I advocated many years ago, would have made this possible.

As I said in August, 1940, the Germans were utilizing 82 wavelengths, of which seven were long wavelengths. This country was only operating five wavelengths and no long wave whatever. In the intervening period we have refloated one scuttled medium wave, now using six. But during the same period the Germans have increased theirs from 82 to 92 channels or wavelengths, still maintaining seven long waves in operation. These figures do not take the Italian broadcasting system into account; with this the Axis wavelengths now exceed 100.

We possessed only one long wave before the war, and this we scuttled on the first day of the outbreak; we have never refloated it on the air. Yet practically one half of all the mechanical gear and a great deal of the electrical gear in almost every receiving set in Europe is constructed solely for the reception of long wave. No true English word can be heard on all those sets when switched to their long wave band setting. German transmissions in English and many other languages practically fill the whole of the 180 degrees of the dial. With this band denied to us we have found ourselves in the impossibility of broadcasting daylight transmissions which could cover Europe or that could reach the more distant countries of the Continent, and in particular the Mediterranean. We have knowingly and willingly handed over this part of Europe entirely to German and Italian influence. In the Eastern Mediterranean, and, in fact, in the Mediterranean as a whole with its numerous and important bordering countries, it has been impossible for listeners to receive with any degree of power or ease broadcasts from England. As far as the broadcasting world is concerned in the Mediterranean, Germany and Italy reign supreme. Britain rules the waves, but the Axis rules the ether waves.

To regain this supremacy, I advocated in the House in August last the building at once of stations at Gibraltar, Malta and Cyprus, in an attempt to cover these various parts of the Mediterranean and also, as and when required, to re-broadcast on the broadcasting bands our shortwave beam transmissions. No such stations have been built. What has been the result? We have left a complete open field to Germany and Italy to broadcast during practically all the 24 hours of the day to countries such as Roumania, Bulgaria, Greece, Yugoslavia, Spain, Turkey, Iraq, Iran, Syria, Algeria, Tunisia and Morocco. Whereas we were prepared to send an Expeditionary Force of our soldiers to Greece in order to help Greece when Germany was at her door, and subsequently to Crete, in the numerous months during which Germany was persuading Rumania and Bulgaria to join on her side and offer no resistance to German occupation by converting each individual listener from our cause to theirs—and this was particularly true in the case of Rumania, at that time our Ally—we did not make any attempt, nor were we in a position to make any useful attempt, to counteract this invasion by radio.

Mr. BAXTER: Who turned the hon. and gallant gentleman's suggestions down?

Captain PLUGGE: They were made by me continually since and prior to the war to the Government in and outside this House. Yet this is what my right hon. friend the Prime Minister said in his last speech during the Crete debate:—

The further question arises as to what would happen if you allowed the enemy to advance and overrun, without cost to himself, the most precious and valuable strategic point.—[Official Report, 10th June, 1941; col. 147, Vol. 372.]

This is precisely what we have allowed the enemy to do in the Balkans by handing him over the virtual monopoly of the aether world over those countries bordering on the north of Greece.

Radio is the advance cavalry of occupation. Nobody will doubt that the Government was right in sending physical aid to Greece and in determining Crete, even against the greatest odds, but where, I submit to the Committee, we failed utterly was by not being in a position to send moral help to those countries through the air in the form of our radio news and news commentary for the 10 months since my last warning, during which Germany was obviously and successfully using the broadcasting medium in order to jockey into position through Hungary, Rumania and Bulgaria, and penetrate, without firing a shot, up to the very door of Greece; or, as my right hon. friend the Prime Minister put it, "without cost to himself through the most precious and valuable strategic points," and there being able to secure the physical advantages of position and start the fight with all the necessary preparation.

The same applies to Jugoslavia. As my right hon. friend the Prime Minister mentioned in his statement on the Greek campaign:—

The former pro-Nazi Government of Jugoslavia only changed at the very last minute and no time was available for the full mobilization of the Jugoslavian Army.

Jugoslavia was therefore not in a position to put up the resistance which she would otherwise have been able to offer. I submit to the Committee that our handing over of the broadcasting monopoly to the Axis in the Balkans assisted and made possible the birth of the early pro-Nazi Government in Jugoslavia. The various Balkan countries show individual examples of every degree and of every variety and kind of anti-British radio penetration.

No one thing can win a war, but the absence of one thing may cause it to be lost. It is very difficult for me to understand that we do not realize that broadcasting is by far the greatest war weapon of this twentieth century. It is the only brand new weapon in this war. The gun, the tank, the aeroplane, all were used in the last war. In the last war, our naval blockade was much more complete than our present one, for an additional reason than those usually quoted. It cut all enemy submarine cables. Enemy news was blockaded all over the world. Not so in this war. It is our news which is, in fact, blockaded by the overwhelming superiority of Germany in the aether world, the new colonial world through which practically all news is now transmitted. For we must visualize the aether as an immense new colonial world where the wavelengths are the colonies. We are not a colonial Empire in that new world. Germany is. There was no broadcasting in the last war, yet broadcasting, considered alone, as I will show the House, has proved itself by results to be more powerful than the gun and the tank. Where used in conjunction with both these and other weapons, it has revealed itself to be overwhelming and revolutionary.

Radio is to this war what the aeroplane was to the last. We have to dissociate ourselves from the narrow conception of war which makes us think of war only in terms of minute mortal men being grounded by great gulping guns or blown up by big, beautiful bombs. The aether world is also a battle front. Its plains are immense, great new battlefields, where fighting is going on all the time, where we can retreat or attack, take the offensive or remain on the defensive.

Again during the debate on Crete, my right hon. friend the Prime Minister said:—

Again and again it has been proved that fierce and stubborn resistance [to the enemy] even . . . in exceptional conditions . . . is an essential element in victory—[Official Report, 10th June, 1941: col. 148, Vol. 372.]

I say that “fierce and stubborn resistance” to the enemy should be made in the “exceptional conditions” of the new battlefield, provided by the vast aether empire, since here no cost of men, money or material is involved, and we can therefore be, if we so desire, mighty and strong, more so since our struggle is so righteous and our cause so great.

If we wanted only one proof of the value of the new battlefront of the aether, we have only to remember that Hitler has decreed the death penalty to listeners to foreign broadcasts. How he must fear that fierce and stubborn resistance, which we are not opposing in that sphere at present. Clause 14 of the German Armistice to France is, I believe, little known. For further proof of Hitler’s fear of the radio weapon, perhaps I may quote it in its original text:—

Clause 14.—Pour toutes les stations d’émissions de T.S.F. qui se trouvent en territoire française intervient immédiatement une interdiction d’émettre. La reprise des émissions radiophoniques sur le territoire non occupé fera l’objet d’un accord séparé.

This decrees that all broadcasting stations, even in non-occupied France, shall only transmit under German control. Another example: Just two weeks ago as I understand it, although my right hon. friend may correct me here, one of the Clauses of the recent Non-aggression Pact with Turkey provided that the Ankara longwave station should discontinue forthwith its English broadcasts. Ankara was the last long-wave station in Europe, exclusive of Russia, that still gave free English broadcasts. Hitler certainly understands the golden value of the long-wave band.

Sir HENRY MORRIS-JONES (*Denbigh*): Would the hon. and gallant gentleman tell the Committee how, at this moment, a change can be made in broadcasting policy?

Captain PLUGGE: That, Mr. Deputy-Chairman is my specific purpose and I will deal fully with this all-important question in a moment.

But to comprehend the relative importance of the war in the new battlefield of the ether world, may I survey for a moment the results of the fight on that front, to date? Up till now Germany has conquered or invaded 13 different countries, covering a total area of 950,000 square miles and comprising a population of 175,000,000 inhabitants. Out of that vast area of land and great number of people, only seven countries out of 13 have been conquered by force of arms. The other six were conquered by political warfare on the broadcasting battlefront with radio as the sole open weapon in action. The countries conquered by force of arms include 100,000,000 inhabitants, covering 550,000 square miles. Those conquered without bloodshed amount to 75,000,000 souls, inhabiting 400,000 square miles. Yes, but look how much more satisfactory is the conquest by persuasion than that by force of arms. Whereas conquest by force of arms entails enormous expense in money, fuel, material, production, loss of men, ammunition, risks, and many other things, it also carries in its wake much greater hatred and much less hope of effective co-operation after occupation.

Mr. GRANVILLE: The hon. and gallant Gentleman knows a good deal about these matters. Will he tell the Committee whether, in his opinion, the Russian radio stations can jam the Nazi radio stations?

Captain PLUGGE: In order to do so, I am afraid I should have to detain the Committee still further, and I should have to tell hon. Members exactly what

jamming is and what ways there are of jamming and of counter-jamming having regard to the longitude of the opposing stations and the territories jamming is intended to cover.

As I was saying, for lands conquered without bloodshed, hardly any money has been expended, no risks incurred, no ammunition, no loss of war material, no expenditure in loss of life. The country conquered by persuasion does not harbour the same hate and is much more ready to co-operate after invasion than the country which has been conquered by bloodshed and destruction. That may well be why France was not physically occupied in its entirety. In addition, in countries conquered through the new battlefields of the ether, the enemy appears to be much more immune from attack by us, and can apparently prepare, produce, manufacture and organize undisturbed. As evidence of this, I believe it is true to say that German concentrations in Hungary, Rumania, Bulgaria, Denmark, have all been singularly immune from R.A.F. attack. We therefore must conclude that of the 13 countries conquered by Germany during the first year and a half of the war, the six, the conquest of which was facilitated by the unopposed broadcasting sphere we have left to the axis, fall within the framework of Germany's temporary conquests as much greater victories than the conquests achieved by force of arms.

Why is it that we have not opposed "fierce and stubborn resistance" to the enemy in this field of battle? Why is it that we cannot visualize the value of this new weapon? As far as I can see, it is due to the recognized fact that we dislike and do not try to understand anything new. We treat with suspicion the new thing we do not understand. We treat with suspicion anyone who advocates its use. He often treads on vested interests, or the pioneer work which has permitted him to understand it has caused him to go against established standards. We have suffered from this trait on many occasions in our past history. Clive of India is one of our classic examples. But we do not have to go so far back; our great Prime Minister of to-day advocated, if he did not invent, the use of tanks in the last war, and he was not understood. More recently, on many occasions prior to the war, I have heard him in this House drawing the attention of the Baldwin and Chamberlain Administrations to the growing power of the German air force and the weak position of our own; but his plea was in vain. I could therefore not follow in more illustrious footsteps to-day in beseeching and entreating, as I do, for an enormous and extensive expansion of our broadcasting system. I advocate at once the putting up of a "fierce and stubborn resistance" to the enemy in the "exceptional conditions" of the ether battlefield.

Now let us consider the countries which have been conquered by force of arms. Have they been conquered by force of arms alone? Have they not received also the utmost assistance from radio? Of course they have. On every single occasion, as I pointed out in August last, we have witnessed the surrender of an entire army, within three days of the occupation and operation by the enemy of the principal broadcasting station of the country concerned. To this effect I drew attention to the surrender of the Dutch Army, unbeknown to its own Government, two days after enemy occupation of the long-wave Hilversum broadcasting station; the surrender of the Belgian Army, also in disagreement with the Belgian Government, three days after the operation by the Germans of the Evere twin medium-wave broadcasting stations. Again, in the case of France, we witnessed the surrender of the French Army; but in this case, which was immensely more grave, the surrender also of the French Government. In this case the seven powerful French long and medium-wave Paris broadcasting stations, Radio Paris, Radio 37, Radio Vitus, Radio Ile de France, Radio-Cité, Poste Parisien and Radio P.T.T., had been occupied by the enemy. I drew attention to these facts in the House of Commons 10 months ago, when I pleaded for the building of broadcasting stations in Cyprus, Malta and Gibraltar, exposing

the danger we were running in the Mediterranean, where our broadcasts from England could not be received on ordinary receivers, at the disposal of the millions of listeners in these parts.

Yet again, during the recent Greek campaigns in the Balkans, we have witnessed exactly the same wholesale surrender of armies, without being ordered to do so by their respective Governments. The Jugoslavian Arm surrendered a few days after the Zagreb medium-wave broadcasting station was operated by the Germans, and there was the surrender of the Greek Army shortly after the occupation and operation by the Germans of the Salonika medium-wave broadcasting station, again, in both cases, in disagreement with their respective Governments—at least, according to the early reports. Must we not therefore conclude that the local broadcasting station is in more intimate contact with the Army, directly and through the civil population where fighting is taking place, than the Government under whose orders the Army is fighting? An invading army is incomparably more powerful if it is supported by broadcasting stations capable of reaching fully the civil population of the area in which the opposing army is fighting. The assistance reaches its maximum efficiency when a national station with its familiar announcers can be utilized. By demoralizing the civil population, the wholesale surrender of the army can evidently be rapidly secured. Great efficiency and predominance may even secure the surrender of the Government as well.

I submit to the Committee that every commander-in-chief planning a campaign should have at its disposal broadcasting units which could be used to prepare the ground previous to attack, and to maintain also by broadcasting the weight of such attack. The idea of portable stations accompanying an advancing army should be at once developed. In the Syrian campaign, loudspeakers were used to address the opposing forces, and the Commander-in-Chief found it necessary to utilize a distant wireless station to broadcast to General Dentz with regard to Damascus. How much more effective, how much more conclusive, would this method have been had our Commander-in-Chief had at his disposal one or two broadcasting units which could have been devoted entirely to this purpose, operating continually in support of his advance. Ample means and equipment to facilitate the use of this medium should be available for every campaign. There is no doubt that when our troops start advancing into enemy occupied territory, the first thing the enemy will do is to destroy the occupied local radio stations. When this happens our Commander-in-Chief should be in a position to broadcast immediately on the destroyed stations' wavelengths, thus producing the effect of having captured the local stations and continuing their functions, unhampered by the enemy's action. May I urge that immediate study of this question should be made by the High Command of all three Fighting Forces?

We have therefore witnessed in this war the extraordinary sight, unprecedented in any other war in history, of six countries in all of which the Army surrendered, contrary to Government instructions, within three days of the operation by the enemy of the principal national broadcasting station, except in one case. France, with so powerful and extensive an undestroyed broadcasting system that the surrender of the Government itself was also secured. I think that we all realize that our greatest disaster in this war was the surrender of the French Government, independently of the surrender of the French Army. Had the French Government not surrendered but only the Army we would still have by our side the French Fleet and the French Colonial Empire, an asset I need not enlarge upon, yet an asset which we now see rising against us instead of merely partially co-operating against us. And all this is again traceable to the free hand in broadcasting which we allowed Germany to acquire, and have allowed Germany to maintain, all over France and her Mediterranean Colonies after France's collapse.

In August last the operating in this country of four medium-wave freedom stations as a minimum was advocated for France alone. Four different programs, operating 24 hours a day. At present we are faced with a network of French German-controlled stations numbering 26 with a medium wave strength of 24 channels. A few quarter-hours on one program is all the B.B.C. has been able to provide to counteract this. This is not "fierce and stubborn resistance." No wonder that Germany has been able to establish the co-operation she has been seeking and for which we are now suffering. In war the greatest military objective is to demoralize the civil population. Our aim should therefore be to maintain that morale in occupied countries, in neutral countries and allied nations. Broadcasting is so powerful a weapon because it short-circuits any other method that has been used heretofore to that end.

These facts are more apparent in the case of Syria. Here fighting might have been completely unnecessary. A powerful British broadcasting station in the British Colony of Cyprus only 60 miles away, such as was demanded in the House ten months ago, would have maintained our point of view there, and Syria would now be fighting Germans and Italians instead of Englishmen, New Zealanders, Australians and Free Frenchmen. It is on this new battlefield that we should have put up our initial "fierce and stubborn resistance" for months. There we are to blame ourselves, and all that I hope is that the Greek campaign and the cost in lives of the Syrian occupation may have at least proved to us that if this country is not prepared to use to the full this newest war weapon, if it is not prepared to fight on this new battle front, a greater number of British soldiers' lives will be lost and the war may be unduly prolonged. Because it must be well understood that broadcasting is really a modern, new form of transport. It is the transport of the mind without the transport of the body. No country can wage war with fullest effect and speed of purpose, if it disregards and scorns the latest form of transport.

My right. hon. Friend the Foreign Secretary is remodelling our diplomatic service. May I say to him that the old principle of diplomacy by contact with Government through diplomatic representatives is of little value if it has to compete with an enemy that supplements this recognized method with the more modern one of being able to influence the mind of every single individual in the country concerned by a broadcasting system in close conjunction. A statesman is not like a person in an airtight compartment. His decisions are influenced by the masses. That is what occurred in France when the numerous powerful French broadcasting stations were crying all day—"Reynaud has betrayed you. He is going to run away. Get Reynaud and hang him. Get Renaud and hang him." It is hard to realize the stirring effect on population and statesmen alike of a broadcast of that nature from your own stations, spoken by your own announcer's familiar voice.

The present position is that we do not possess 10 per cent of the facilities we should have as a minimum, and the facilities we have we do not use to more than 50 per cent capacity.

I am sure that hon. and right hon. Members would like to know why it is that we have so much reduced our wavelength power with an enemy never ceasing to increase his. For I must inform hon. Members that in medium waves alone this country is only one-half as powerful as it was before the war, while Germany has increased her medium wavelength power, which was already 500 per cent greater than ours, by a further 300 per cent both by conquest and new constructions at Calais and elsewhere, and is now 1,500 per cent more powerful. I consider that this cannot be explained, nor in my opinion can it be justified, although I am able, I believe, to recite the events that led up to it. At the beginning of the war we were rightly anxious about what might happen with reference to air raids over this country. Radio stations can, under given circumstances, render navigational aid to aircraft, and I believe it was the opinion of the Air Ministry that broadcasting

should cease altogether. This was, however, found too drastic. The B.B.C. agreed to whittling down their network to one program on two waves. This drastic curtailment of the service may have been justified at the beginning of the war, but now it can be plainly seen that the Germans do not need any aid to navigation for their aircraft from us. Anybody can listen to the identification signals which are sent out every five minutes on all German and occupied stations, which give by back bearing to any German aircraft at every moment of her flight and during the whole night, her exact position over this country. Results are quite obvious from the raids on such towns as Coventry, Birmingham, etc., where enemy aircraft have had apparently no difficulty in finding their exact position. Even so there are now several alternative methods of rendering radio immune to giving navigational aid—the latest being polarization. I could discourse at length on these methods and their respective merits but do not wish to weary the House.

It is easy, however, to understand that when a request such as the one in question came from the Air Ministry, no reason need again arise for the Air Ministry, who had obtained satisfaction, to suggest that previous conditions should be reinstated. In the meantime daylight raids have practically ceased, and daytime is a most valuable broadcasting period when, moreover, except in fog, alternative aids to aerial navigation are not required. On the other hand the B.B.C., having secured permission to reduce their service, has no special interest in requesting to reinstate or expand their network which would only cost more money without bringing in more revenue. We therefore find ourselves in the terrible dilemma of having no man, no body, no Government Department, no Ministry, which has so far desired to request the reinstatement of even the pre-war wavelength strength—let alone any expansion of our broadcasting system—or even insisting on the relaxing during the long daylight hours of the shackling effect of synchronization.

By abandoning synchronization in daylight we could bring into being at once about 12 additional broadcasting wavelengths including one long wave. We could forthwith triple during the long daylight hours our channel strength on the broadcasting bands.

Ideal conditions required by certain services have to be counterbalanced by the value they may have in other directions, and this applies to the drastic action demanded by the Air Ministry at the beginning of the war, and which I submit to my right hon. Friend the Minister of Information should, as my right hon. Friend the Prime Minister has pointed out in other cases, be reviewed from time to time in the light of existing and varying conditions. I would therefore ask the Minister if this drastic action has been so reviewed, and if so, when and before what scientific body did it take place?

To speed up victory it is imperative that we should at once reconquer the lost æther world of Europe and of the Near East. This can only be achieved, in my submission, as I stated the last time I spoke on the subject, by adopting at once the recommendation made as far back as 1932 by the Ullswater Committee on Broadcasting, on which my right hon. Friend the Lord Privy Seal then sat.

The recommendation was that there should be a Ministry of Broadcasting in this House. Just as a Ministry of Aircraft Production was found necessary to produce the planes for the Air Ministry, so is a Ministry of Broadcasting required to evolve the necessary network of stations, wavelengths, channels and gear at home, in the Colonies, in occupied lands and protectorates, and in the various theatres of war so as to provide the Ministry of Information, the fighting Forces and also our diplomatic representatives abroad with the necessary tools to accomplish their work. Just as the Air Ministry want the machines because they know how to fly them, so does the Ministry of Information require the proper broadcasting facilities in order to be able to operate them before previously created audiences in all parts of the world. The work of this Ministry would include

the building and operating of broadcasting stations in Gibraltar, Malta and Cyprus, in Palestine, in the occupied countries of Syria and Iraq. It also would conceive the construction of broadcasting stations in Jamaica, in Nassau, in Honduras, for re-broadcasting to South America, also at Singapore, Hong Kong and Shanghai, in order to cover those parts of the world. It also could conclude a reciprocal arrangement with the United States. For instance, one broadcasting station on medium wave in England that would re-broadcast American beam transmissions of all the important occurrences in America all day long. This would enable all people in England to follow the point of view of America, now that newspapers are so reduced in size, and it also would, if proper and suitable stations were built, enable the whole of the occupied territories of Europe to hear American views, which would be so valuable to keep up their morale. Both the National Broadcasting Company and the Columbia Broadcasting System are great public-spirited bodies. I feel sure that my friends, Mr. David Zarnoff and Mr. Bill Paley, would take on at the expense of their own respective companies the erection and operation of such a medium-wave station in this country.

This could be a reciprocal arrangement, and the United States could provide us over there with a medium-wave station which would retransmit the important events and speeches from this side of the Atlantic. At present only the most important events, such as some of the speeches of my right hon. friend the Prime Minister, ever reach the whole of North America on medium wave from inside the United States itself. It is interesting to note that in New York there is one station that broadcasts all the time in Italian and one that broadcasts all the time in German. There could therefore be no objection to a medium station rebroadcasting also the transmissions of the British Broadcasting Corporation. Such reciprocal arrangements could also be made with Russia at present. The Ministry of Broadcasting could send a Radio Mission both to American and to Russia to arrange for these reciprocities. Delayed rebroadcasting could permit censoring if such were desired by either side.

These are vital radio alliances which could be arranged very quickly and at very small cost, and bring the peoples of the countries which are fighting on the same side in much closer contact than through diplomatic representatives who have their own special sphere. Here we have a link and contact between the people themselves; the peoples of each country are in reality visiting one another through this new system of transport. The listening public have been spoiled. They no longer like bare reports of events; they want a ring seat themselves; not only do they wish to hear the actual speaker's voice, but also the applause and the reactions of those present at the ceremony. The duties of a Ministry of Broadcasting would also include providing the three services with portable broadcasting stations and assist in their operation. The Ministry of Broadcasting could co-ordinate all such construction and operations. We may need all this at very short notice, and unless the transmitters are ready and the channel operating, we will not be in a position to transport our thoughts to the scenes of conflict. We must also visualize the effect that broadcasting will have at the Peace Conference. Whatever peace we will secure by force of arms, it will be increasingly valuable and more conclusive if we can back it by a powerful broadcasting system which will permit all the peoples of the world to know our views and to know why we are acting in the way we do, thereby securing good will everywhere. The good will of all nations is a thing which is invaluable; it cannot be purchased either for money or blood. But it can be acquired by speech backed by a righteous cause. We have the cause, grant us the longest arm that science can bestow on our speech: an extensive and effective broadcasting system.

A Ministry of Broadcasting should also watch the development for two-way communication which is called "frequency modulation." This system is used by the Germans in their communications between dive bombers and tanks,

because it does not suffer from any outside interference. I understand we are not using that new method of transmission, while the Germans have perfected it to the full. The Ministry could also see about the construction on British soil of the numerous freedom stations which I advocated in my last speech—four for France, and two for each of the following—Norway, Holland, Belgium, Greece, Albania, Czechoslovakia, Austria, Yugoslavia, Poland, Denmark, and now Bulgaria, Hungary and Rumania. We also have Spain to consider. It would not have been necessary if we had had a station associated with Spain for my right hon. friend the member for Chelsea (Sir S. Hoarse) to be lodging protests regarding damage to the British Embassy in Madrid. No damage of that kind could ever have taken place if we had acquired the full good will of every individual inhabitant of Spain, and eliminated the possibility of that country being hostile to us. With regard to Russia, we must prevent at all costs a repetition of what occurred in France, in the prevention of which broadcasting can play such an important role. What I want to impress upon the House is that there is still time, if we act quickly and deliberately in the broadcasting field, to stop co-operation between France and Germany. Syria is not the only French colony to be considered; there are also Morocco, Algeria, Tunisia. Apart from these in the Mediterranean, there are still countries like Iran and Turkey who need moral help by the most powerful means. It is imperative that all those countries should receive our news. I do not wish to put it higher—but they must receive our news as easily and clearly and powerfully as the Germans send their news to them. That is, I feel, our duty.

The cost of broadcasting is negligible, but more important than cost is the fact that this method of warfare saves so many lives, so many British lives, so many British soldiers' lives. To allow an army like our own to fight as it did in Norway, in Greece, in Iraq, or as it is now doing in Syria without the support of a powerful broadcasting organization is asking all those soldiers to fight with one hand tied behind their back. Leaflets were dropped over Bagdad, and also in Syria. In these parts only 8 per cent of the population can read—all can speak. Think how valuable a Royal Aether Force would be to our army there, or a Fleet Aether Arm that could have steamed up the Persian Gulf, broadcasting continuously to the whole Iraqi people, and the whole Syrian population.

Broadcasting is the lubricating oil of the machinery of war. A powerful broadcasting system would oil our own machine and throw sand in the war machine of the enemy. At present we are witnessing the Germans oiling to the full their own war machine, obtaining success after success, and blasting sand into ours. A machine can run with little or no oil, it can even run in a sand-storm, but it runs better, faster, with less wear, with less fuel, more smoothly, more regularly, and with less breakdowns if oil is used plentifully and if it is protected from sand.

When I am told, "But broadcasting does not stop tanks," I reply: imagine a man fighting in a tunnel, not knowing that light exists, receiving blows from nowhere. He lashes out the best he can in the dark. Someone whispers that he should use a beam of light, and he replies, "But light does not stop blows." Such is our position to-day. We are not using the luminous word, the word that travels through space at the speed of light. People sometimes say that German broadcasting has only shown its weight when backed by display of force. That remark might certainly suit the case of Rumania or Hungary, countries which are surrounded by German armed forces. But one cannot say it applies in the case of Iraq or of Syria. There—in Iraq the British influence has been prevalent for years, and Syria a year ago was fighting on our side. We had a good start. Neither of these countries, Iraq or Syria, was bordering on Germany, and in that part of the world we had at all times a greater display of strength on land, in the air and on the sea than any other Power. The fact that in these two countries anti-British changes have been so great that fighting

has become the order of the days, shows, since only one open influence remained, that broadcasting penetrates even when not backed by show of arms and with all other conditions against it.

Do hon. members realize the enormous additional value to the German war effort which is given by the all-night transmissions of the German broadcasting stations? Every day at midnight our broadcasting ceases. The Germans go on for three or four hours, giving very good music, classical, semi-classical, dance and operatic music. Many, many thousands in this country listen to it, and the whole of Europe is entertained every night by it. Why allow Germany to maintain that fillip? It simply means that we are permitting the Germans to blow hot and cold. They bomb women and children, and at the same time they sing beautiful music, incorporating love and kindness. I have with my own eyes seen people in England, during the night, gathered in a shelter, hearing the bombs fall, with the radio switched on, saying, "Well, whatever one levels against the Germans, they are beautiful musicians. They do play beautiful things." Yet the whole scheme is just the consumption of electric current, because only records are being played. Why cannot we do this ourselves as well? I cannot see any reason why we should not also have a British transmission going on all through the night. These German transmissions are heard all over Europe, and they have a certain soothing effect on the population. It does not seem to me to be a good policy to surrender to Germany the right of softly entertaining the whole of Europe every single night, while they are waging this terrible war. To us it is also only a question of electric current because we have overseas transmission going on all through the night on short wave, and it simply means keeping one of our medium transmitters alight and medium waves carry over very much greater distances further into the night when the aether is clear with few stations on the air at present. All the people of Europe who want to listen in at that particular time have no choice; they are compelled to hear the German transmissions. Surely we ought not to allow anybody in Europe to be in the position of being compelled to listen to German transmissions because of total absence of British alternatives. The value of broadcasting does not only reside in talks. Music also, so long as it is clear from which country the musical entertainment originates, is a great assistance to a country's cause in the minds of the masses.

Our weakness in broadcasting channels does not only affect us in the Mediterranean and in our international transmissions. In the Mother Country it exposes us also to great danger in case of attempted invasion. In reply to a recent Question asked by the hon. Baronet, my Friend the Member for Ealing (Sir F. Sanderson) on the subject of interference with the Forces Program, the Minister of Information replied,

The jamming of the Forces program . . . is of Italian origin. . . . I am afraid there is no practical means at present of preventing a recurrence.—(*Official Report*, 3rd February, 1941; col. 925, Vol. 368.)

Well, if it is true that our stations are so weak and our channel strength so vulnerable that interference from a thousand miles away can jam them in their very own territory, our situation is desperate. I say that the proximity of German-controlled stations and the enemy's overwhelming superiority in wavelengths and clear channels means that Germany can at a minute's notice, for instance on the eve of an attempted invasion, cut off, except for a few restricted areas, the whole of the British Broadcasting system in England as it exists and is operated to-day, securing for themselves the sole monopoly of broadcasting over this country and maintaining it, maybe for weeks, for the broadcasting of news, instructions and directions to our civil population. It does not need much imagination to see what confusion such a state of affairs would cause. The remedy I advocate is the construction of baby stations, full

particulars of which I gave to the House in my last speech on the subject 10 months ago. In view of this impending danger, may I ask again with great urgency: will the Government take the required steps to consider this or alternative safeguards?

Concluding and summarising my remarks, I would submit to the Committee that broadcasting is the only new weapon, and the most powerful weapon of this modern war. It opens a new battlefield, a battlefield in which resistance, "fierce and stubborn resistance," to the will of the enemy can be maintained if we so desire. It has acquired for Germany more valuable temporary conquests than those acquired by force of arms—yet in the conquest by the latter, broadcasting has also greatly contributed. German broadcasting in the Middle East has done us more harm and is still doing us more harm than even the possession of her present territorial gains in those parts. Broadcasting as a new war weapon has the following advantages: (1) It needs no great expenditure in money. The motive power of one heavy tank is greater than that of many a broadcasting station. (2) It needs no great masses of men. Thirty men could run one of the proposed Mediterranean medium-wave stations for rebroadcasting. (3) It does not use any weight of material. The weight of one heavy tank is greater than the weight of material of many a broadcasting station exclusive of metal mast. (4) As an aid to advancing armies it may save, and indeed has saved, many thousands of soldiers' lives by assisting in earlier surrender of the enemy. (5) It does not involve the risk of life. (6) It is the most democratic way of waging war, because it is designed to convert people to our cause without inflicting bodily harm on them.

There has been a great deal of controversy in regard to what should, and what should not, be broadcast. It is no use discussing what we should say or what we should not say, and how and who should say it, when we have not got the channels through which to say it. The sooner we have a complete reconstruction will those broadcasting stations be built, and these channels be acquired and operated, and the sooner we will travel the road to victory. It has been customary recently to finish with a quotation. On such a new subject as this one a quotation is difficult to find. May I summarize the present position with a verse of my own:

"Never was there a weapon so meek,
As the beat of an aether wave,
That brought so much power to a cause so weak,
Sapping strength from so many so brave."

Mr. G. STRAUSS (*Lambeth, North*): I do not intend to pursue the subject which has been so exhaustively dealt with by the hon. and gallant Member who has just sat down. I want to add one or two words of criticism of the speech made by the Lord President of the Council and to make one or two comments upon the work of our propaganda, but before I do so may I say quite frankly that I believe a great deal of the work of the Ministry of Information to be excellent? I frequently pity the Minister because all the work he does, without exception, is done in public. Most of the work of other Departments is done in private, but every time any person in this country turns on the wireless to listen to the news or to hear a talk, or picks up a paper and finds something to complain about, he has the Minister of Information as an Aunt Sally. I frequently pity him because he is so exposed to criticism. I think the people of this country to-day are quite unanimous on two points: One is that we must beat Hitler, and the other is that the Ministry of Information is making a mess of things.

We all know that the statement given to us to-day at the beginning of the Debate was the result of long secret battles which took place behind the

scenes. Those battles were apparently very arduous, and very strong feeling was shown on all sides. I think one must agree that the result has been that thing which we have all been taught recently to look upon with the greatest suspicion—a compromise peace. In my view that compromise peace will only be the prelude for a further outbreak of hostilities later. In view of the shortness of time, I do not want to go over the many points already effectively made by previous speakers. In regard to the proposal which has been put before the Committee to-day, I wish to say a word about one aspect of it which appears to me to be disastrous.

APPENDIX B

Extract from Official Report, Wednesday, 16th July, 1941

HOUSE OF LORDS

The House met, The Lord Chancellor on the Woolsack.

LORD VANSITTART

The Right Honourable Sir Robert Gilbert Vansittart, G.C.B., G.C.M.G., M.V.O., having been created Baron Vansittart of Denham, in the County of Buckingham—Was (in the usual manner) introduced.

EBBW VALE URBAN DISTRICT COUNCIL BILL. [H.L.]

Returned from the Commons, agreed to, with Amendments; the said Amendments considered, and agreed to (yesterday).

SUNDAY ENTERTAINMENTS ACT, 1932

Order made by the Secretary of State for the Home Department, extending Section I of the Act to the Rural District of North Westmorland (Parish of Kirkby Stephen):

Laid before the House (pursuant to Act), for affirmative Resolution, and ordered to lie on the Table (yesterday).

PROPAGANDA

LORD DAVIES rose to move to resolve, That this House regards the proposals adumbrated by His Majesty's Government for the reorganization of our information and propaganda services as totally inadequate; and that, in its opinion, the time has come when, in order to secure the most effective prosecution of the war, it is necessary to constitute a single diplomatic front under the direction of a cabinet minister.

The noble Lord said: My Lords, I beg to move the motion standing in my name. About a fortnight ago we had a debate in this House on the subject of propaganda, and in that debate almost all the speakers criticized the arrangements which were in existence at that time. I thought it was only right, therefore, that we should discuss these arrangements again in the light of the proposals which were made in another place by the Lord President of the Council about ten days ago. I am sure that your Lordships will have read an account of that debate, which was a most remarkable one, in that almost all the speeches were directed against the proposals which had been put forward and dissatisfaction was almost unanimously expressed with the compromise which had been suggested. I think that most people will agree that we cannot win a war on compromises. The speeches also referred to the confusion and chaos which culminated in what I believe was described by the press as "The Battle of Bloomsbury."

There was one remarkable speech, delivered by Captain Plugge, which was an indictment of the broadcasting arrangements which are in vogue at present. I understand that Captain Plugge is an expert on the technical side of broadcasting, because I believe that he was Chairman of the International Broadcasting Company, and therefore one concludes that he is in a position to speak

on this subject from the standpoint of the expert. He drew attention to the fact that when the Prime Minister last December made his broadcast appeal to the Italian people, owing to the technical defects in our broadcasting system it was almost impossible for the Italian people to listen in to that broadcast speech. I confess that that came as a shock to me, because I had always imagined that that speech would have percolated into the minds of the Italian people and would have produced, at any rate to some extent, the results for which we all hoped. However, it appears that this was not the case. In *The Times* of December 27 it was stated:

There is no public response to Mr. Churchill's broadcast to the Italian people because relatively few people in Italy heard it, apart from foreign diplomatists, journalists, high officials of the Fascist Party and prominent state officials of whose duties wireless listening is an integral part. The proportion of receiving sets in Italy strong enough to pick up London is low.

It appears, therefore, that so far as Italians are concerned and from a practical standpoint that speech did not serve the purpose for which it was intended; and, as Captain Plugge pointed out, the Prime Minister was let down by our technical services.

Captain Plugge also pointed out that, so far as the Mediterranean was concerned, the Axis powers had a practical monopoly of broadcasting. It appears that ten months ago he suggested to the authorities here that broadcasting stations should be established in Gibraltar, Malta and Cyprus and, if that had been done, the Prime Minister's speech could have been rebroadcast to the Italian people and they would have been able to listen in and hear it. The present position, according to Captain Plugge, is that we do not possess 10 per cent of the facilities which he regards as a minimum, and we employ the facilities which do exist only to the extent of 50 per cent of their capacity. I venture to suggest to your Lordships that Captain Plugge's speech is well worth reading. I trust that the Government will consider most carefully the technical proposals which he made and see what can be done to remedy the unfortunate situation in which we apparently find ourselves.

Another impression left by that debate is the apparent inability of the Government to grasp the vital importance of propaganda and broadcasting. We may be sure that that is not lost upon the enemy, for the enemy have for years past attached the greatest importance to propaganda, and especially to broadcasting. In the last war we were the first country to realize the importance of propaganda as a war weapon. I should like to ask the noble Lord who is to reply to this debate whether it is true or not that in the Non-aggression Pact of Germany with Turkey a provision was inserted that the Ankara long-wave station should discontinue forthwith its English broadcasts. Ankara was the last long-wave station in Europe, exclusive of Russia, that still gave free English broadcasts. It shows the importance which Hitler, at any rate, attaches to broadcasting if it is true—I do not know whether it is true or not—that such a provision was inserted in this Non-aggression Pact with Turkey.

APPENDIX C

STUDIES IN PHILOSOPHY AND SOCIAL SCIENCE

By CHARLES A. SIEPMANN, (*Reprint—Vol. IX—No. 1*) Published by
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Radio and Education

Over a hundred million people in this country listen more or less regularly to the radio. The average American has his set tuned in for some four hours a day. These are striking facts which, with others no less striking, never fail to attract attention to the subject. But the real interest of radio lies back of the statistics. Moreover it is not only with their implications that we are concerned, but with the bearing of purpose on practice in the wider social context of our common plight today.

The commodity which radio purveys and the structure of the industry as we know it are no mere accidents. Both are the product of circumstances and forces which have brought them into being, which condition the structure and affect the service. Radio does not exist in a vacuum.

Neither radio nor education, nor the relation of one to the other, can therefore usefully be studied except in this wider context. More, perhaps, than any other invention of modern science, radio mirrors back to us our present state, the forces with which we contend and the decisions of purpose and of practice which confront us.

My approach itself requires clearer definition, for it conditions at once the aspects of radio to be studied and the conclusions to be drawn. To clarify my purpose, I venture to quote Thomas Jefferson. "This country, which has given to the world the example of physical liberty, owes to it that of moral emancipation also, for as yet it is but nominal with us." The moral implications of radio's influence on people are, then, chosen as the basis of appraisal of what it does and what it may yet do. These are chosen advisedly because we face a moral issue in the revolutionary situation which confronts us. From this standpoint, radio may seem to be in the position of the rich man in the parable, who went away sorrowing "for he had great possessions." The parallel, of course, is not exact in that the radio industry, unlike the rich man of the parable, is not confronted, in the matter of choice and of decision, by one who was himself the incarnation of the good. Radio, rather, stands over against a public, and agents of the public, as divided and confused about ends as is radio itself.

If, at this early stage, then, we may hazard a generalization, it is that this infant prodigy, this new instrument of power, as yet lacks consistent purpose. It is with the absence of policy and the reasons for that absence that we shall be concerned, and with an attempt to clarify what in the course of time may yet emerge as policy enriched and fortified by purpose.

In recognition of the fact that undivided purpose is absent, and that its absence is characteristic of our state, as of that of radio, is to be found the corrective to false hopes and a clue to the proper context of thought about the problem. Science and invention have tempted us to exaggerated hopes, to an undue preoccupation with the unlimited means at our disposal, to concern with processes, and to oversight of ends, ends, mark you, that are unattainable and yet to be pursued. The prevalent disillusionment among the young and the general perplexity stem largely from this source of error. We emerge from an era of shallow optimism only to realize that in a quite fundamental sense, whether the context is that of education, of politics, or of society, "the road

winds up hill all the way, yes, to the very end." In spite of all the ballyhoo and promotional extravagances of the radio industry, which flatter only to deceive, radio offers no prospect of a cultural millennium. It is a two-edged weapon, capable of great service but adding equally to the complexity of our problems as persons and as collective members of society. Like other instruments of power, radio is there to use and the outcome of its use depends on the integrity and purpose of those who control it on the powers of response of those who listen, and on the emergent pattern in the kaleidoscope of interacting forces—those "objective influences" of which we hear so much and by which industry and listener alike are held to be affected.

Our concern, then, is with the moralities of broadcasting. To assess them fairly and relevantly we shall have to concern ourselves with three aspects of the problem, first with the inherent possibilities of the medium itself, second, with the limitations imposed upon their use by the structure of the industry, and third, with limitations and opportunities determined by the nature and circumstance of radio's listening public.

First, then, radio's distinctive attributes. Radio has unique resources. What are they? One can cite but a few. It has range, what is technically known as coverage. It disposes of time and distance. It at once rids us in some measure of the solitude of isolation, and imposes upon us that deeper solitude which comes of wider knowledge and experience. In this, as in so many other respects that we shall touch on, radio at once exemplifies and aggravates conditions peculiar to our time. The implications of this first attribute of radio are too many and too complex to name. A few may serve as illustration. Radio has range. It, therefore, increases and accelerates the impact of ideas, of information, of events, of a multitude of stimuli, which by their very quantity affect our outlook and our poise. "The world," as Wordsworth put it, "is too much with us; late and soon, getting and spending, we lay waste our powers." As we shall see later, the nature of such impact is affected by the purposes and interests of those who control radio. Where values are concerned, everything depends upon the accent of emphasis. If we are concerned with the moral implications of the radio, we shall, therefore, do well to identify the accent of its emphasis, those implications of value which are residual in the listener's consciousness as consequence of the total impact of what he hears. Radio thus, inherently and without willing it, aggravates what Professor Dewey calls "the ratio of impersonal to personal activities which determine the course of events." It constitutes yet another of those objective forces which have induced a sense of helplessness among individuals and robbed them of any real feeling of participation in events.

Radio in one sense, by eliminating spatial isolation, makes of us citizens of the world. Does it, or can it, also make us good citizens? One may at least hazard the view that the very power and opportunity inherent in this instrument may defeat its own ends by the very wealth of the resources which it offers. Our minds and our emotions are on the whole less efficiently organized than our stomachs; but even the stomach has limited powers of digestion. It is arguable that radio creates for us a surfeit of stimulus, of information, and suggestion, which *unless counterbalanced by controls of purpose, selection, and direction*, may well wreak more havoc than advantage.

Another corollary of radio's resource of coverage is that it constitutes the people's instrument. It reaches all, and, therefore, must serve all. The implications of this fact for education will be touched on later. The abuse of the fact in terms of the misleading cliché that radio must therefore "give the people what it wants" will also be referred to when we survey the structure of the industry. But a challenge to that assertion must be offered here and now. Who are the people? And what are their wants? In a final and decisive sense the people are persons, individuals demanding of us that reverence for personality which is inherent in

democratic thought. The yardstick of radio's achievement, the measure of its constructive, as against its potentially destructive, influence is the degree to which it enhances in individuals that sense of and that capacity for being persons—individual, discriminating, morally, sensitively aware, which is the final object of all education. In the matter of purely literary taste and judgment, Matthew Arnold once suggested that the reader should have in mind lines chosen from some great passage in literature by which to test the inherent quality of what he reads. Extreme as it may sound, a similar yardstick might well prove useful for the listener over against every program that he hears in terms of a question as to whether this or that that comes over the radio contributes to freedom, freedom, that is, conceived of as an enhancement of personality. Is he more or is he less a person for the experience which radio offers? It is by some such yardstick that the structure of our society and the contributory elements therein are likely to be judged in a decisive hour, if not consciously, at least subconsciously by what, for want of a better term, we may call the will of the people. The revolutionary context of our time has reference to this very issue. Radio is merely a microcosm of the wider context of politics and of society.

Radio not only has great range but great resources of technique. American radio in all but one significant field has carried these techniques to a greater degree of skilful perfection than that which obtains in any country. Again the subject is one too vast to be adequately covered, but three instances at least of the peculiar techniques of radio may be mentioned, enhanced as they are by the vast, sweeping range and reach of the wave lengths of the air. Even in this sophisticated age, there attaches still to radio some of the attributes of magic. Its disposal of space and time still carries a romantic appeal which holds our interest. There is an expectancy associated with all listening, a wonder not unlike that associated with the working of a miracle. Communication between persons, wonderful as it is, we take for granted. But communication over the air still has this attribute of wonder. It is for this reason that the spoken word, the radio talk, is, potentially at any rate, charged with such great possibilities. President Roosevelt's fireside talks are an outstanding example of that contagion of personality which is associated with good radio talk. The skills which go to it and their variant potentialities deserve a chapter of their own. But suffice it here to say that to convey intimacy and absolute sincerity is of the essence of the matter. Few men achieve these skills and, for reasons peculiar to broadcasting in this country, their development has gone relatively by default. There are, of course, signal exceptions, but they are few. But the fact remains that the spoken word over the radio constitutes, perhaps, the most powerful integrating force that we have yet enjoyed. There is, of course, much that radio cannot communicate, as we shall see later. But the resources of the spoken word, still to be developed and exploited beyond anything we now dream of, stand as a signal example of a technique that has attached to it one attribute at least of very special significance. That attribute is associated with the two words already mentioned—intimacy and sincerity. Circumstances recently forced on radio a serious and dangerous distortion of this unique resource. It was inevitable that in a presidential election the microphone should be set up in places and under circumstances alien to radio's true purpose and sphere of service. Candidates and candidates' supporters spoke before vast crowds, playing upon mass emotions, evoking mass response. The atmosphere of the hustings was carried into millions of homes as a brutal assault on privacy and as a travesty of that art of quiet, personal communication, which is, potentially at least, one of the glories of radio technique. Here again we come upon the two-edged weapon. There is no need to point to the analogy of its destructive use in the totalitarian countries where contempt for persons has become an axiom of politics. Let the matter rest at that.

Let us now turn briefly to a technique of a very different order. Radio drama, not itself very significant as a new form of art and soon, no doubt, to be discarded altogether with the advent of television, to-day commands

perhaps the greatest and the most consistent audience of any programs broadcast. The fact that in radio the stage is the listener's imagination, coupled with that element of magic already spoken of, gives to this technique a power over emotion and imagination with which the student of "soap opera" is familiar. The fact that this technique is used for purposes with which education can have no dealings cannot conceal or dispose of the fact that we have here a powerful means of influence where influence is most needed, that is, where values are concerned and the purging rather than the prostitution of emotional response. From the point of view of Jefferson's moral emancipation, what is significant is that we have here again the means to destroy or, not to cure, but to alleviate. Cure there is none, for us or for any generation. Yet in the range, the coverage of radio, and its resources of technique we have, as has been said, an instrument which is the peoples' instrument, available to us at a time when claims upon the peoples' intelligence and understanding are greater in extent and in intensity than they have ever been. How comes it then that we are so far short of that illusory millennium, that, indeed, we may not even be upon the road which leads somewhere? At least part of the answer can be found in observation of the structure of the industry, which now constitutes our second port of call.

Here, as throughout this study, it will be well to stress again the wider implications of the radio both in respect of cause and of effect. Radio is what it is because we are what we are, habituated to a circumstance and outlook which not only derive from past history and tradition, but are themselves in some measure out of date. It is in this sense that the structure of the radio industry is not an accident. It derives from principles of policy which rest upon past precedent and are inherent in the pattern of American thought and practice. Radio as an industry stands for the principle of free, competitive enterprise associated with the profit motive. By such a practice and by such motive forces the resources of invention and experiment have been made available to the public. It was so that radio was launched, but it was not so entirely that radio developed. (Here again radio illustrates trends and developments of outlook and organization which hopefully affect one's estimate of what is yet to come.) Only a few years elapsed before it became evident that unrestricted competition was impracticable. A gentlemen's agreement between the contestants for channels of the air broke down and led to chaos, and the industry itself sought regulation and protection from government. From Mr. Hoover, then Acting Secretary of Commerce, came a first definition of principles which in the same breath acknowledged the validity of free enterprise and introduced an element of control by government restricting the wanton ravages of cut-throat competition. These three principles are worth quotation. They claim first that government and, therefore, the people have to-day the control of the channels of the air, in itself a new and significant departure of principle and policy. They claim, secondly, that radio activities are largely free, free of monopoly, free in program and free in speech. The third is a moral principle. "We can protect the home by preventing the entry of printed matter destructive to its ideals, but we must double guard the radio." But, as has been rightly pointed out, no protection of specific ideals is possible unless they are determined and used as a basis for restricting program content. The agency later created to define these ideals in terms of "the public interest, convenience and necessity" was the Federal Communications Commission. Years have passed, but little flesh has been put upon the bare bones of that equivocal phrase. Yet, tardy and tentative as the Commission has proved in practice, its continuing existence is significant, a sign of the emergence of a new concept in politics which is slowly, painfully gaining acceptance. That concept has to do with the new and wider scope and responsibility of government. It is

paralleled by the emergent conception of public service, to be associated with, and a prior condition of, continued private enterprise. The activities of the F.C.C. continue to be resented by the trade, but its influence cannot be questioned, even if it is indirect. Uneasy about further regulation and control, the industry has in some measure put its own house in order. It has its own moral code, excellent within the rather narrow limits which it has so far reached. Moreover, "public service" has been adopted by the industry as the specific label for certain aspects of its work. Under this head, to be sure, we find an odd miscellany. The motive back of its compilation is not wholly disinterested, but it remains significant as a laggard trend.

If this far there seems to be but grudging recognition of what radio has done, let us at once and with admiration concede two signal achievements in the field of public service. Whatever qualifications, in respect of counter-vailing practice, we must add, regardless of how far research may disclose limits of actual effectiveness, no one can lightly question the efficiency or the integrity of American radio in offering its listeners a full and constant service of news, and in maintaining the principle of free and fair expression of opinion on a wide range of controversial questions. These entries on the credit side are not unique, but they are outstanding. The question they raise—and it is vital from the point of view of education, the effectiveness of which depends upon consistent purpose—is why such credit entries are so far offset by debit entries, which at some points detract from, and at others wholly nullify, the value of such service rendered. The nature of these defects has to be cited. They have, also, to be traced to their source, if we are fairly to appraise radio and education as they stand and as the relation between them may develop in the future. The source appears to be the structure of the industry, the motive forces which have brought it into being. Can man serve God and Mammon? Is the profit motive, in fact, compatible with public service? The point I would here stress is that the posing of such a question implies, and falsely, an absolute choice between positive and negative reply. There are no such absolutes where human practice is concerned. Free enterprise, associated with the profit motive, is the occasion both of merits and defects of radio in America. The total elimination of defects we shall not see; nor shall we taste perfection. The problem is one of adjustment, of the elimination of a self-destructive conflict of purpose. The nature of that conflict we can, as I say, discover only by examination of defects and by diagnosis of their cause. The following are samples.

Radio's coverage is centred on densely populated areas where large audiences and big profits can be realized. Rural listeners are penalized, have relatively inferior service and choice. Competition runs counter to public service in respect of program balance. Duplication of programs on different wave lengths is monotonously evident throughout the day and night. Concern for profit leads to a concentration on programs judged to be most "popular." Minorities are neglected and even the limited potentialities of listeners with the lowest intelligence are seldom exploited. There is a monotony of entertainment, even though that entertainment masters at times greater resourcefulness and skill than anywhere on earth. Further, the large expenditures which radio involves tend, as in industry, towards centralization of control. The advantages are obvious. Resources become available which could not otherwise be afforded. But the disadvantages, which receive less advertisement, are serious. That culture is most enduring which is native, which springs from the soil. Culture cannot be distributed by mail order. It is in this sense above all others that New York is not America; still less is Hollywood. As radio becomes centralized, the role and status of local stations diminish. They become increasingly the retail distributors of a large central store. And yet for that large percentage of the population which lives

in rural or small urban districts research has shown that the influence of local personality, the voice of the neighbour, still is greater than that of radio's giant creations. It is not insignificant, for instance, that in Iowa loyalty to a familiar local personality has secured, in one instance, for news interpretations and in another for musical appreciation audiences greater even than that for some of radio's top flight entertainment stars. For the better interpretation of the whole to the part; and even more of the part to the whole, we should do well still to foster that local initiative which centralization is rapidly destroying. Even more dangerous is that further consequence of centralized control by which the contact of the men of radio with their public becomes increasingly remote and impersonal. The listener is reduced to a bare statistic, an object of manipulation and exploitation which, as we shall see later, conflicts with that conception of human relations on which democratic faith itself is based.

The above considerations may seem remote from the problems of education. But they are strictly relevant, for education's influence, the accent of its emphasis, *even its opportunity to function*, depend upon the pattern of society which results from the interaction of individual parts. The above are but some of the defects of radio that stem directly from the motive forces inherent in its structure. Profit and competition in the old accepted sense of *laissez-faire* have had their day, and above all where the commodity purveyed is of such social consequence as that of radio. Hence that inauguration of control by government as trustee for the public which has been mentioned.

But the worst and the most dangerous feature of American radio also stems directly from the profit motive. Promotional excesses, the ballyhoo of advertising, the high pitched appeals to the sensational, the constant holding of the top notes of the superlative, all these combine to achieve effects, the harmfulness of which is not capable of statistical analysis, but which with some justification one can claim *a priori* to be inherent in the process. Their danger, in a word, is the inducement of a slave mentality. They further, instead of countering, influences at work in other spheres of our experience. They aggravate that impression of individual helplessness over against objective forces which is a symptom of our neurotic state. The process, as I say, is inherent in the structure of the industry. It is the dialectic of large-scale manipulation, which, because involved in the necessity to secure a mass response to wholesale distribution of commodities, has to induce as far as possible an enslavement of the individual in matters of choice and discrimination, a constant of passivity. It has to induce the illusion of unity by methods of organized ballyhoo and the creation of stereotypes in the pattern of our likes and dislikes. Here again, radio is at once victim and agent. Because of their purposes, in this case the pursuit of profit, men become involved in a dialectic of behaviour and of practice which assumes aspects of inevitability which are in fact illusory (because what a man wills conditions essentially what he does), but which assume such proportions of power as to *appear* to be beyond control. This from the point of view of education, or as I prefer to put it, from the point of view of morals is the crux of the whole matter.

The illusion of inevitability must be destroyed, or it will destroy us. If this analysis has any value, it centres on the passionate assertion that man to-day, as at all times, is not the victim of his circumstance but of his own blindness and deluded will. There is, indeed, a dialectic of events, an inescapable logic of consequence attendant upon any course of action. But it is our will, our purpose, which sets us upon the course. If a concern for profit or loyalties no longer compatible with the public interest outweigh in us that desire for moral emancipation which Jefferson sought, the consequence is clear. But let us not delude ourselves by substituting helplessness for irresponsibility as cause

and as occasion. "The fault, dear Brutus, is not in our stars but in ourselves that we are underlings."

But how, it may be asked, does it come about that such enslavement is in fact practicable, that the public should prove such easy game? Is it fair to cast the whole blame in such a complex situation on those who control radio? The answer is clear and certain. It is not fair, and no such blame is cast. Those in charge of radio are but part authors of the plot. Nor is it a plot of strict design, of sheer malign purpose. Radio, as I have attempted to point out, has interest only in a context far wider than that of the industry itself. We suffer, all of us, as members of society from a kind of moral jaundice. The blame is indeed distributed. Yet we must face the fact that those who are privileged in circumstance, in the possession of power, in the administration of high office, are in a very real and crucial sense their brother's keeper. There is emergent in the history of radio, as in the developing history of this country, a new and fuller realization of the meaning of trusteeship. It would be arrogant for any man to claim as his responsibility the changing of human nature. But human nature needs to be safeguarded. It is for us to cherish in ourselves and, according to our power and our position, still more for others the possibility of growth, to be vigilant lest "we lay waste our powers." The glaring disparities in opportunity for growth which have resulted from the particular direction of our wills in the context that we have studied are evident but still too little recognized in the society in which we live and from which we glean our comforts and our satisfactions. Concern for that disparity brings us to our third port of call, to radio's listening audience, to that state of the nation to which Mr. Roosevelt in early days persistently and properly drew our attention.

Over a hundred million citizens of the United States devote to radio time and attention only less than that which they devote to work and sleep. The reason why the process of enslavement, unwittingly being realized from day to day, is possible is largely to be found in circumstances common to the large majority of these hundred million people. These circumstances can here be stated only in terms of crude statistics. These listeners are uneducated. Thirty-four million adults have never enjoyed education beyond that of the fifth grade. These listeners are poor. Fourteen millions earn incomes of no more than \$26 a month. The vast majority of radio's audience enjoy incomes of less than \$1,500 a year, millions of them much less. These listeners are poor, uneducated, lonely. Their circumstances make them such. That sense of belonging, to which Professor Lasswell has constantly referred, is taken from them by the privations of economic circumstance and the still more devastating inroads on their self-respect of the inhuman tasks which they are called to undertake in industry. The sense of personal participation diminishes. The social fabric of loyalties is undermined. The personal relations of employer and employed that once gave meaning and value to labour disappear as the forces of centralized control work upon them. As Bacon put it, "Little do men perceive what solitude is and how far it extendeth. For a crowd is not company and faces are but a gallery of pictures and talk but a tinkling symbol where there is no love. *Magna civitas, magna solitudo.*" Radio's audience is the human stuff on which huge objective forces, or as I prefer to say, the misdirected wills of men, have worked this havoc of solitude.

Some of the consequences, for radio and education, are beginning to emerge from the findings of research. The evidence is still inadequate for full and effective diagnosis and ameliorative measures. But it is ample (and for our major purposes we can forget statistics), to throw light upon the problem which educators are still slow and even reluctant to face. Cursory as this survey has been, inadequate as it must be as even a blueprint for action, it will, I hope, have suggested an approach by suggesting a new perspective, a transfer of our attention, and by demolishing the great illusion of inevitability.

In radio, in education, in the sum total of our living we face a moral issue. A choice is forced upon us by the progress of events which follow, as night follows day, the misdirection of our will. It is a choice admitting of no piecemeal answer, not an answer of lip service only but of a dominating purpose permeating all activities in which we are concerned as members of society. The choice has to do with two alternative attitudes to people. We can despise them, or we may reverence them, as we must reverence ourselves if life is to have meanings. In terms of society we can, according to our choice, manipulate people or serve them. The first is easier, the second harder than it has ever been. Easier because the status of the individual has been reduced by the inhuman factors inherent in industrial development, by the decrease of economic self-dependence and of that residuum of self-respect which men salvage from the wreckage of the conflicts of human greed and aspiration. Easier, too, because of the perfected instruments for dominating men's minds and emotions of which the radio is the supreme example. The alternative choice is the harder for the same reasons. We are far gone in circumstance. Over against the manipulative point of view of the authoritarian, we have, as President Hutchins has pointed out, little to offer in terms of superior efficiency or of material circumstance. All we have left is the remnant of a faith in persons, most positive and clear in its passionate rejection of the evil that it recognizes in the challenge which the man manipulators have flung down, too positive in terms of lip service to the mere vocabulary of freedom and emancipation, and as yet scarcely positive at all, considering the immanence of crisis, in terms of action carried into the field of government, of administration, and private industry. We are involved today as never before; and the paradox of the centripetal forces manifest in industry and government, resulting as they do in a centrifugal reaction, where the sense of individual belonging, of pride and purpose are concerned, has been touched on in this study. The situation is, indeed, grave, and only a colossal effort of the will, a supreme sense of responsibility for public service, can keep at bay the evils and the dangers at our door. This is the context by reference to which we may consider the challenge, the hope and the opportunity which radio offers us.

Radio, as has been said, is inherently and as of right the peoples' instrument. The challenge to educators implicit in this fact is that of a redirection of attention, an emphasis on education of the people, the urgency of which at this stage scarcely needs to be pressed home. Radio as a means is thus timely, almost heaven sent as opportunity.

Devotion and enterprise on the part of those concerned with radio have developed skills most apt for communication with the people. That these are much abused by standards of the peoples' needs is not here relevant. For education the relevant consideration is the existence of a new medium and method of interpretation. The impatience of the industry with educators over their tardy recognition of the absolute necessity to find the appropriate means by which to convey truths and values, means that take account of the pathetic helplessness, the intellectual immaturity, the life and circumstance of those whom radio serves, is in large measure justified. The counter objection of the educators is no less true, namely that radio, while master of many skills, has all too often lamentably failed in exercising them for ends that correspond to peoples' true, as against their superficial, needs. It is uncomfortably true that what radio gives with one hand it takes away with the other. The virtue of education is in consistent purpose. Without adjustment of the proportions of radio's constructive and destructive influence, there is small hope that it can realize its manifest destiny in the wider context of crisis with which we are concerned. Radio has rightly stressed the need to gild the pill which is to be offered to a sick and undernourished patient. As a point of technique, this is at once appropriate to the condition of the listener and to the circumstance of radio as

servant of men's leisure. Radio is right again (where it in fact succeeds in doing so), in adapting its techniques (as in the quiz program) to a frame of reference relevant to the background of experience of the listener. Radio's contributions in these respects have been both shrewd and realistic. Its shortcomings have to do with that tendency which we have noted to think of the listener in static rather than in dynamic terms. Skills of technique are nothing worth except as vehicles of matter that is significant and by which the seeds of growth and sensitive awareness can be sown. "Soap opera" attracts by its relevance to the anxieties and morbid propensities of those who listen. It offers a context which is recognizable. Therein lies its technical merit. Its defect is that it evokes no response in which is inherent the possibility for growth of understanding. It adds nothing to experience. The present failure and the future opportunity of radio is to be found in the fruitful exploitation of techniques. And it is here that service may yet be rendered by those best fitted to charge communication with significance. The poet, the writer of genius and distinction if, while maintaining his integrity, he can keep the common touch, eschew the esoteric, has in radio a means of significant communication through which the writer's art itself may find a new lease of life and by which a truly democratic culture may yet come into being. Remember W. B. Yeats' dictum, "Think like a wise man but communicate in the language of the people."

The impatience of radio men with educators is no less justified in one other respect. There are aspects of education irrelevant to radio because alien to its resources of techniques. Alien, too, to the more pressing needs of radio's audience. It is in this connection, as with respect to the two matters above referred to, that a transfer of attention on the part of educators is necessary. Radio cannot teach. Teaching involves communication of a kind that radio cannot attempt,—a discipline, a concentration, a circumstance that have nothing to do with radio's circumstance. Nor can radio communicate the subtleties and refinements of thought and feeling that are the product of higher education. Radio can achieve little more than a stimulus. By constantly repeated injections, such stimulus may induce some modifications in our system. But it is most dangerous in education to project on others our own experience, to assume similar susceptibilities where background and circumstance are as tragically different as we have seen them to be. The men of radio are more realist than educators in recognition of ordinary peoples' priorities of need. Their fault, as we have noted, is in the too frequent exploitation instead of service to such needs. Of these priorities of need, something must here be said.

The fruits of culture in the proper sense of that term stand unassailable in their own right. But these are fruits we gather at the end of a long journey, and few have had opportunity to make that journey. For the mass audience of radio, apart from the need (which stems directly from their circumstance) of escape into a world of glamorous distraction, the first concern is with material needs, with problems of health, of food, and the handling of children, the practices and the concerns of their humdrum day-to-day existence. Radio has found ready response to service for such needs. Whether what is communicated on such topics is always the best and the wisest that can be communicated is a moot question. Too often, preoccupation with a quick return of interest, associated with the profit motive of the advertiser, runs counter to genuine concern for service which the gilding of the pill, the simplification of things inherently not simple, may dangerously imperil. Radio both gives and takes away.

Whereas material needs are the most obvious, the listeners' psychological needs are probably the more urgent. A pathetic example of such need and of the morbid sympathetic interest which it arouses is the Good Will Court of Mr. Anthony. That Mr. Anthony dispenses but rough justice those who have listened are hardly likely to question. Doctors, psychologists, and social workers may be provoked to indignation, disgust, or to despair, by what trans-

pires at these strip-tease acts of the human soul. Yet from a social point of view, these tawdry proceedings challenge us to thought. Rough justice may be dispensed, *but the courtroom is crammed*. The pathetic helplessness of people is here exposed in all its nakedness. Is there nothing to be done about it? Are doctors and educators, confident that they know better than Mr. Anthony, going to stand by while radio in this instance, as in many others, dips down into the unsavory depths of peoples' need? Here are priorities of need, and the rough justice dispensed over the radio may, from the point of view of these poor creatures, prove more valuable than the superior integrity of those whose knowledge stays them from rushing in where angels fear to tread. Here at least is an instance of the level at which education is urgently required. If, through the voice of Mr. Anthony, radio does disservice, it at least voices a challenge of attention to educators in their ivory towers.

What, next, of society's need of the listener? Reference having been made to radio's power of integration, we must pause a moment at least to suggest the possibilities yet to be realized by the proper adaptation of techniques for integrating our society in respect of social purpose. The new and expanding role of government demands of us accelerated powers of adaptation, of quick release from those adhesions of the past, those habituations of thought and prejudice which make us reluctant to face manifest necessities of social change. As the activities of government increase, more and more persons are affected by it. Yet it stands remote, impersonal, symbol again of the objective forces which in our confusion of purpose and of insight we are coming to believe in as disembodied powers. The new role of government requires, and urgently, a new and intensified degree of apt interpretation. For the distortion, for selfish and disingenuous ends, of such verbal symbols as unity and patriotism, we need to substitute dynamic symbols of true unity. These can only be created and they can only be understood by the wider dissemination of knowledge about social circumstance and by the realization through government and in society of projects and activities, the constructive purpose of which can be vividly brought home to people. Radio in this matter cannot, of course, act as pioneer but merely as interpreter. It must wait upon events. Yet in respect of a more widespread consciousness of social facts, there is already work enough to do. One instance drawn from British experience may illustrate the point.

Some years ago it was decided to communicate through radio facts relevant to housing conditions in Great Britain. Week by week over a period of three months a popular sports commentator (chosen advisedly for this purpose) visited the slums and the rehousing projects of the country and reported what he saw to radio's listening audience. As a result, awareness took the place of ignorance, of that indifference to the unknown which, as society becomes more complex, becomes increasingly a source of danger and dissension. The significance of the achievement was the creation of an "area of consciousness." The public conscience was stirred. Radio was not concerned, as it must never be, to influence opinion on public policy. Its range and its resources, however, are available to us to quicken conscience, to integrate experience, by extending knowledge and promoting sympathy. The subject is, alas, too large for proper development here.

One final point, however, must be made that bears on radio's possibilities in education. Seeing that it adds to the complication of our living by the increased impact of ideas and information, it must, unless confusion is to be worse confounded, offer to a bewildered public something by way of what I term selective direction through the maze of issues and impressions with which the listener is confronted. In its interpretation of the war in Europe through news reporters and commentators, radio has rendered this very service. It is curious, though perhaps not surprising if we think of the deterrent influences, that small attempt at similar interpretation of domestic issues has been made. The need for interpretation is, as I have said, inherent in the very circumstance of radio. Its

very power and range demand some such corrective to confusion and distraction. The achievement of one of these commentators must be referred to as illustrating aspects of radio most relevant to education and charged with hopeful possibilities. Let us examine the record of Mr. Raymond Gram Swing.

The Crossley ratings show that he commands a regular listening audience of over eight millions. How and why is this significant? How has this following been achieved? By perseverance, by integrity, and by mastery of the techniques of radio talk. Each point has a special significance. Three years ago the name of Raymond Swing was scarcely known to listeners. Today for millions it has the connotation of a trusted and a needed friend. Concern over the war created, of course, the necessary frame of reference to which his commentary could be related. But his regular, recurrent presence at the microphone, together with the inherent merits of the man, created this vast audience. As with the plugging of a song, as with the constant repetition of advertisement, so with Mr. Swing. Merit given time, given also a context relevant to men's preoccupations, wins through. Relatively few such personalities have been created at the microphone because of the advertisers' concern with quick returns. It is for this reason, among others, that I stressed earlier the as yet unexplored resources of the spoken word available to radio, given time for their development. Raymond Swing's achievement is remarkable no less for the integrity of his performance. He, above all others, has recognized and cherished the ideal of realizing through radio something that I can only call a convention of good manners in communication. The integrity of his approach and of his subject has at no time been compromised. Statistics cannot prove the worth of such achievement. But Raymond Swing's eight million listeners stand as proof that the dynamic conception of human personality, the belief that discrimination is not confined to men of education is not a mere delusion.

It is, however, time to bring this study to a close. Let me summarize the argument.

The interest of radio lies in its bearing on the wider social context of crisis that has been discussed. It at once exemplifies new trends and the persistence of attitudes and loyalties no longer apt. A conflict of purpose results which is evidenced by confusions and incompatibilities in its practice. Radio exemplifies the emergent social concept of trusteeship. It is, therefore, subject to control which is as yet inadequate because it rests on no clear formulation of radio's function in society. The official agency of such control is governmental. But in a democracy such agencies of government must function as a filter of public opinion. Thus radio involves a partnership with its own public. But public opinion is as yet inadequately mobilized; and the relationship of the two partners, the balance of power is, therefore, dangerously maladjusted. This has made possible the heresy that radio gives the public what it wants and has obscured the vital truth that the public is incapable of articulating its true needs.

It is with this issue that educators are, or should be concerned. They can voice the public's need and define that body of consistent principles on which true education rests. But they can only do so by a transfer of their attention to the priorities of need of those whom radio, the peoples' instrument, serves, and by a more practical familiarity with the resources of interpretation which radio offers. Educators can foster criticism. It is most necessary, its absence a singularity, and a measure of our tardy recognition of the power and influence and potentialities of radio.

As a basis for criticism education should foster research by means of which a nicer adaptation of the resources of radio to the ends of education may be realized. Radio integrates experience, and it can to some degree integrate society. It will do so the more and the better for collaboration by educators in securing wider frames of reference (in the experience and activities of the public) with which what radio offers can be associated and to which its developing services

may be related. Is this the conclusion of the whole matter? It is not, for there is none such. We can look for no more than partial achievement. But in one respect we face a choice more absolute than relative, a choice which has to do, not with particularities of radio technique or organization, but with that issue of moral emancipation which Jefferson foresaw as America's paramount objective. With the issue of private enterprise or public control of unrestricted or restricted opportunity for profit, we are not concerned except by inference. The bearing of radio on education has finally, fundamentally, to do with the will, the purpose of those who control it, with the sincerity of their concern, as a first and dominant concern, for persons; for "faces are but a gallery of pictures and talk but a tinkling symbol where there is no love. *Magna civitas, magna solitudo.*"



SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15

TUESDAY, JUNE 30, 1942

WITNESS:

Mr. N. L. Nathanson, Vice-Chairman of the Board of Governors.

MINUTES OF PROCEEDINGS

TUESDAY, June 30, 1942.

The Special Committee on Radio Broadcasting met at 10.30 a.m. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton-East*), Claxton, Coldwell, Fournier (*Maisonneuve-Rosemont*), Graydon, Hanson (*Skeena*), Isnor, Hansell, McCann, Rennie, Ross (*St-Paul*), Telford and Tripp.—13.

In attendance:

From the CBC: Messrs. Murray, Frigon, Manson, Brodie, Findlay, Bramah and Miss Belcourt.

Messrs. Bramah and Weir were present at the meeting of June 25.

From the Department of Transport: Messrs. Rush, Caton and Bain.

From the Department of National War Services: Justice T. C. Davis.

Mr. N. L. Nathanson, Vice-Chairman of the Board of Governors, was called.

He read a prepared statement and was interrogated at length on the following:

1. Appointment of Executive Committee.
2. Division of powers between the General Manager and the Assistant General Manager.
3. Functions of the Finance Committee.
4. Control of expenditures.
5. Services rendered by and the amounts paid to Messrs. Lambert, Moseley and Farrell.
6. Thompson and Plaunt Reports.
7. Representation on the Board of Governors.
8. Establishment of a pension fund for CBC employees.
9. Building of a high-powered shortwave station in Canada.
10. McCullagh's broadcasts.
11. Advisability of a CBC self-sustaining publication.

The Committee invited suggestions and recommendations from the witness.

Mr. N. L. Nathanson was discharged.

The Committee agreed to call Mr. E. L. Bushnell, Supervisor of Programs, at the next meeting.

The Chairman informed the Committee that a meeting of the Agenda Committee would be held shortly with respect to the procedure to be followed at the remaining sittings of the Committee.

The Committee adjourned until Thursday, July 2, at 11 o'clock in Room 429.

ANTONIO PLOUFFE,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

June 30, 1942.

The Special Committee on Radio Broadcasting met this day at 10.30 a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. Mrs. Casselman and gentlemen, we have a quorum, so we can proceed with the business of the meeting. We have Mr. Nathanson, one of the governors of the C.B.C. with us here today. I am going to invite Mr. Nathanson to make a statement to the committee with reference to his particular connection with it and how he sees the C.B.C. We would also invite him to make any suggestions or recommendations with reference either to the administration or services that he sees fit.

Mr. N. L. NATHANSON, Vice-Chairman of the Board of Governors of the Canadian Broadcasting Corporation, called:

Mr. HANSON: Mr. Nathanson is vice-chairman, is he?

The WITNESS: Yes, that is right. I have prepared a brief statement.

Mr. Chairman, Mrs. Casselman and gentlemen: I think first I ought to clarify the position that I hold in the Canadian Broadcasting Corporation, because of some of the statements that have been made as to my holding the official position of manager and vice-president. I joined the Board of Governors at the inception of the corporation's activities in 1936 and some time later—I believe the early part of the following year—a finance committee was formed on which I was asked to serve as one of three members under the chairmanship of Mr. Morin who was then vice-chairman of the Board of Governors, the other member being General Odlum. This finance committee was formed at the suggestion and request of the Board of Governors, having realized that the scope of the corporation was developing very rapidly and that proper supervision of the financial operations was of the utmost importance; and as the board met only at three or four month intervals, it was felt that a smaller committee should deal with matters of finance on behalf of the Board of Governors.

On the retirement of Mr. Brockington in 1939 Mr. Morin in 1940 was appointed chairman of the Board of Governors in his stead; and the finance committee was then composed of Mr. Morin, General Odlum and myself and continued to function as theretofore.

On General Odlum's retirement as vice-chairman and on his departure overseas, I was appointed vice-chairman of the board and at the same time, at the suggestion of the chairman, was asked to assume the chairmanship of the finance committee. Mr. J. W. Godfrey, K.C. was then placed on the finance committee, also at the suggestion of the Board of Governors, in the place of General Odlum.

Having regard to the manifold and important financial transactions that have taken place from time to time within the corporation, the finance committee sought to maintain close direction of the expenditures. Careful analyses were made by the committee of the yearly budgets, and monthly reports were made to this committee of the receipts and expenditures. When

it is realized that we started in 1936 with but very little workable assets; that the entire plant had to be modernized and the efficiency increased; we soon realized that it would require a considerable sum of money to provide additional high powered stations and ample coverage for radio listeners in Canada; and the finance committee and the Board of Governors deemed it advisable to prepare considered plans for this development.

As for my own position on the Board of Governors, while I maintained an interest in all the operations of the corporation, I soon realized that if we were to make any large contribution to the future of the Canadian Broadcasting Corporation, that in association with my colleagues on the finance committee and through the assistance of the board, we must build the corporation's activities so that it would remain in a sound and solvent financial position. We have always considered that regardless of how successful we might be in all other fields, if we did not remain sound financially and provide for a proper development of the financial future of the corporation, all of our success in any other direction would be of little value.

Here was a new business—almost we might say a new art—starting from a small beginning: Here was the latest development of public ownership. My colleagues on the board had always uppermost in their minds that we must try and operate so that it would be a sound and businesslike administration. I do not think any of us, at the time we accepted the appointment on the board, expected that additional details and responsibilities would be ours, but when the importance of the corporation's activities was realized all of the governors, as well as the finance committee, freely gave of their time and thought.

Now perhaps we might just glance at the record of the corporation's activities. Starting with whatever balances we secured from the previous Commission, for a five-month period for the year ending March 31, 1937, and during the next five-year period to March 31, 1942, the corporation has built out of its own resources, and now has in operation, four 50 kilowatt stations at a cost of \$1,229,000; a new transmitter at Maryville, Quebec; a shortwave transmitter at Verchères; remodelled the Vancouver, Montreal and Ottawa studios, and other items of improvements and developments, at a total cost of \$2,226,000. We originally borrowed from the Treasury the sum of \$500,000, and an additional \$750,000 to provide for these constructions and improvements. Of this amount \$750,000 has been repaid in full; \$500,000 approximately still remains to be repaid, and we have sufficient cash on hand at the end of the last fiscal year to repay that if found necessary. All this out of the operations of the corporation. If you will study the latest balance sheet you will see that proper depreciation has been provided and also provision has been made for renewals. During this period we paid for wire lines (that is for the use of the lines of the Canadian Pacific and Canadian National Railways) a total sum of \$3,528,000. During this period we spent over \$8,000,000 on programs; and for engineering and other services, \$3,142,000.

So that at the present time we have modernized the old stations, have carried out the building program as outlined, and have an efficient modern plant ready to provide proper service; and have enlarged our scope of coverage; all within the means of the corporation.

It also must be realized that we only have two sources of revenue, licence fees and the sale of commercial time; so that we have had to carefully plan our programs each year to live within our means and still provide some surplus to take care of the new and greater developments in radio that are to come.

We have had to greatly enlarge our staff; with a total number of employees at the end of the last fiscal year of 662—almost doubled in the last four years. Perhaps the members of the committee do not realize how rapidly we have

developed. In the year ending March 31, 1938, our gross revenue from both commercial and licence fees amounted to \$2,253,000. The total for the year ending March 31, 1942, was \$4,092,794—an increase of almost 100 per cent.

Of course it is realized that mistakes have been made. We had to develop a standard of broadcasting. We were fortunate in being able to secure initially the services of Major Gladstone Murray as general manager, an outstanding broadcaster; and Dr. Frigon, a noted engineer, as assistant general manager; and such a well-known and outstanding public servant as Mr. Harry Baldwin as treasurer. For other positions in the corporation we retained what was the best and most highly regarded of the personnel of the former Commission. When we realized that this was a new art and a new business we had to really start a development of our own—to create technicians, announcers, producers, and all the other skilled employees required.

I personally believe this has been an outstanding achievement, particularly for a corporation which had to meet the many difficulties during these trying times; and while it is the function of this committee to find fault, if faults there are, and make suggestions for improvements, which I am sure the management will readily accept; it seems to me that some credit should be given to the Board of Governors who have given of their time and thought, to the best of their ability, in making the corporation's business a success. It is hardly fair to those who serve, that the public should be given the viewpoint that all is not well, that the financial operations have not been sound, and that all in all the C.B.C. is a failure; which is entirely contrary to the facts if anyone will take the time to read and study the real progress of the corporation's activities since its inception.

I would like to pay tribute, while I have the opportunity, to the Honourable C. D. Howe, under whose wise guidance the corporation's activities were created and developed for the period which I have had under review. I do not think any of the members of the committee can realize the manifold problems and difficulties we have had to meet from time to time; some of them I have pointed out; some of them I do not mention. But during all this period Mr. Howe realized that the C.B.C. had a duty to perform, and regardless of all his other accomplishments I for one feel that what has been done by him in the development of the C.B.C. will remain to his outstanding credit. I am certain that his successor, the Honourable J. T. Thorson, will continue to assist and support the C.B.C. in the future developments of radio and its allied activities.

In regard to the Thompson-Plaunt report, let me assure the committee that this was considered in detail by the finance committee in association with Mr. Plaunt, and a great many of the recommendations were adopted. We all had great admiration for Mr. Plaunt, and it was at the suggestion mainly of the finance committee that Mr. Plaunt was asked to make a report. We got a great deal of good out of this report and a great many improvements in accounting and other fields were made, based on the recommendations.

In conclusion, I am prepared to give the committee any assistance possible and answer any questions, but it must be realized that I am familiar only with general financial matters such as budgets, expenditures on construction, etc. I have not had the time, nor was it the intention that members of the Board of Governors or of the finance committee should have to deal with each item and scrutinize each expenditure. That was for the treasurer and his department. But, in spite of the mistakes we have made and will make, I think the C.B.C. is an outstanding success, both from its financial development during this five and a half year period, and in the service it has given to the people of Canada.

The CHAIRMAN: Has any member of the committee any particular question to ask Mr. Nathanson?

By Mr. Ross:

Q. Mr. Chairman, I should like to ask Mr. Nathanson what the reason was for the order in council of 26th April, 1941, setting up the executive committee. I should like to have him comment on that, and for the reason of its never being carried out. I suppose the finance committee operates in its stead. But at the present time, as has been pointed out in the committee, the finance committee really has no status in law. I am not a lawyer, but that is the way it appeals to me. I wondered if he would like to comment on that matter.—A. The finance committee has no status, because it was really a committee appointed by the board themselves to assist the board. I can only say to you today that we have a business involving almost \$100,000 a week. I think in the former days when the C.B.C. was formed and planned, none of us expected that development. I think the plans that were made and suggested for the operation of the C.B.C. at that time perhaps were sound for a small business, but not for as large a business as we have today. The finance committee was functioning, as I said before, solely to assist the board in its many problems. When we saw how we were growing, how fast we were growing, the financial undertaking we had to assume, we discussed among the board the advisability of proceeding with the formation of the executive committee, which I think was called for under the original regulations. That is, we had power to do that if we wanted to. After that had been discussed with the management—and I think I ought to make a statement here that the management themselves desired that we decentralize to some extent the work of the staff. The programming was getting of great importance. Particularly, we had developed the news as our own. Mr. Murray was away a great deal. Duties called him almost at every place at various times. We felt in fairness to him, as well as to the business, that we ought to divide the financial responsibility of the corporation's activities. We could only do so by revising the duties of the general manager and the assistant general manager and by the formation of this committee which had its legal rights to act. The finance committee really had none.—A. We discussed this with the minister, the Hon. Mr. Howe; I remember, there was a small committee of us waited on him to advise him of our position.

By Mr. Graydon:

Q. When would that be?—A. I would think that was in perhaps June of 1941; after the spring meeting of 1941—I don't remember as to that.

Q. Had the order in council been passed before then?—A. It may have been earlier.

Q. You are sure you are not in the wrong year, 1940?—A. I don't know, I would have to look that up.

Q. You see, the order in council was passed in 1941.—A. 1941, I see; I think we had a January meeting—we always met in January—I think you will find I am right when I say we had a January meeting.

Q. I understood you to say June.—A. I know it was in the early part of the year, shortly after the meeting in January, or it may have been in May or June; at that time I think we had six active members, General Odlum was in England, Mrs. McClung was ill and could not attend, and Mr. Plaunt had resigned, and that left us only six, and we thought it hardly proper that six should select four from among their number who would form a select committee which was to supervise the broadcasting corporation's activities.

By Mr. Coldwell:

Q. You said it was decided on in January, 1941?—A. I think perhaps it was discussed in 1940, I think at our October meeting in 1940 the decision as to forming this committee was made—or it may have been at an earlier meeting—

I am sure it was discussed with Mr. Howe at our meeting in January and it may have been adopted at the January meeting. I could not tell you that without going over the minutes.

Q. What I have in mind is this: In November, 1940, the board passed a resolution of complete confidence in the management; now, had anything occurred between then and January, 1941, to make it necessary to establish a committee of this description?—A. Nothing at all, except that because of Mr. Plaunt's resignation and many newspaper reports that were appearing in the press we thought we ought to take a stand that some things that had been said were not at all right, that the management were doing a good job, that it had nothing at all to do with the formation of this committee, and that the functions of that committee and the reasons for it were entirely contrary to the general impression that had gone out.

Q. The board expressed complete confidence, therefore, I take it, satisfaction with the management of the corporation in November; in January you met and certain decisions were evidently taken; at the end of March a new set of by-laws was adopted and approved by Order in Council later on setting up three controls over the broadcasting corporation: an executive committee whose function was to manage the affairs of the corporation, a general manager and an assistant general manager who was also made comptroller of finance; now, what authority was there for that division of authority—if I may put it that way?—A. I think the word "manage" is the wrong word, and I think it should not be in there; it is not the function of this committee to manage at all.

Q. Which committee?—A. Of the executive committee.

Q. Of the executive committee, it had never been appointed had it?—A. No, it had not. I would say that the word "manage" somehow crept in; I do not understand the object of the word. It was not the intention at the formation of this committee to manage anything. The idea of the executive committee—and may I say that it was being formed solely for the fact that our finances were growing and our undertakings were growing and we all felt that a closer supervision of expenditure should be made; employees were being increased in number and in the scope of their responsibilities; and that is a matter which the board is always keeping under review, and we were watching closely all the time to see that our expenditures were not greater than our revenue; and it was only because of this close scrutiny in the last year that we have been able to budget ourselves to a balanced position and still carry on and maintain our improvements. But the committee that you ask about, that had nothing whatever to do with the Order in Council that was passed as far as management was concerned. It was the suggestion when we were meeting at that time because of the publicity that had been received and the resignation of Mr. Plaunt that we should tell the public about our regard and esteem for the management. It had nothing whatever to do with the formation of a committee at a later date. The formation of the committee was required for the proper carrying out of the functions of finance and operation which had developed in connection with the corporation.

Q. You say that Order in Council in October was passed because of the criticism that was being made of the corporation and its management—some of that criticism was made in the House of Commons—you knew that there were members of the House of Commons who were pressing for the appointment of a committee to look into the affairs of the C.B.C.?—A. We heard about it.

Q. Were you favourable?—A. I never objected to it at all.

Q. There was no objection on the part of the board?—A. Not at all, so far as I am aware.

Q. Not so far as you knew?—A. Not to my knowledge. I think we always have and always will welcome any committee here or investigation, because

surely nothing but good could come out of them. I do not ever remember having had the board at any time express any regard on that account, because it would be one of the functions of the board to supply information to any such enquiry.

By Mr. Graydon:

Q. I think it has already been stated in evidence here that they wanted to have an investigation and Major Murray not only very clearly stated how welcome this occasion would be now, but how welcome it would have been during the past three or four years. You, and I think Mr. Morin also with others in their evidence, say that they would have welcomed an investigation at that time into the affairs of the corporation. Does not this whole matter then rest entirely on the shoulders of the government, the responsibility for having failed to call a committee meeting together for the last three years?—

A. I do not know what the functions of the minister are, but I would judge that any contacts that we have with parliament were through the minister. I do not think he ever discussed with the board of governors the question of an investigation.

Q. In any event, I might put it this way: the responsibility for the failure to call any investigating committee as far as the C.B.C. affairs are concerned for the last three years up until now were not the responsibility of the board of governors or the general manager?—A. It certainly was not the responsibility of either the board of governors or the general manager.

By Mr. Ross:

Q. I quite appreciate the benefits of a finance committee; most businesses as a matter of fact have something essentially similar in connection with the meetings of their boards of governors, we all know that; and from what I have been able to find out I consider that this finance committee is doing a very good job; still, at the same time, I cannot see why this executive committee as referred to is necessary, the finance committee is doing the job just as well?—A. Exactly, but the finance committee has no status, and that has been the complaint here.

Q. What?—A. We have no legal status, as a matter of fact, when we meet we are just meeting as a committee of the board.

Q. Just a minute; well then, when you are talking about what the finance committee do, that will be what the executive committee of the board will do?—A. Exactly.

Q. And when you are doing that you can say that the word “managed” is not the word at all; that is not the function of the committee?—A. No. Might I explain just briefly; for instance, we have a problem now with the Canadian Press, the refinancing and renewing of their contract. They came with certain demands to the manager and the manager or management referred that to the board of governors, and the board of governors in turn referred it to the finance committee to be dealt with.

Q. What do you mean by renewing their contract?—A. It has expired.

Q. You have not paid them anything up to now?—A. I know.

Q. Then it could hardly be called a contract?—A. It was a contract just the same, because they get something for it.

Now, I feel that we are faced with demands that are very difficult for us to meet, and we met in Montreal a week ago last Saturday and we discussed our problems, we sat most of the day. We shall meet again at Toronto on June 25 with a select committee of the Canadian Press and then if we are able to develop something that we are both able to agree on, and we can bring that back to our board to act on. We shall have cleared the whole matter up to the point where we can submit a concrete proposal to the board of governors; if we

had not done that much up to the present time we couldn't have got anywhere. In the same way, the Canadian Press appointed a small committee to deal with it. Our board of governors met them at varying intervals and they are pressing for a decision between now and the 1st of September. This is just a case in point. We did this because the board of governors placed that task before us, it was not sought after; it has meant a tremendous amount of work for the members of this committee to do.

Q. And then you report back to the board of governors and they make the final decision?—A. That is right.

Q. And then when there is a problem, such as in this case with the Canadian Press, you are asked to deal with it in the formative stages by the board of governors, and you do that as the finance committee and report your decision back to them?—A. That is right.

By Mr. Graydon:

Q. When did you find that the word "manage" was the wrong word in the Order in Council?—A. Well, I never conceived it was the purpose of the board of governors, or that they were appointed, or that they were intended to manage anything; rather, that they were only trustees of a public trust.

Q. Did you not see the Order in Council when it was passed?—A. No, I didn't, I am sorry to say.

Q. When did you first see the Order in Council after it was passed?—A. I think it was at some meeting at a later date. I did not pay any attention to the word "manage" because I think the word is wrongly interpreted. The discussions we had didn't even have anything to do with management.

Q. I suppose it did not make much difference what the wording of the Order in Council was because nobody had paid any attention to it in a year and some three months?—A. That is right. I might explain again that there was a change in ministers in the interval.

Q. There was a change—there was no change, a new minister was appointed and the authority was divided with the result that they had two ministers instead of one; that was not exactly a change, it was an addition.

By Mr. Coldwell:

Q. But this word "manage" appears in the by-laws, are not the by-laws approved by the board?—A. By a committee of the board, I think; approved by the board.

Q. Were you on that committee?—A. No, I was not on that committee but I saw the by-laws and read them and approved of them indeed, it never occurred to me that the word "manage" would mean that this committee would manage, because I would never have taken that responsibility myself because I could not afford to give the committee the time it would require, it would mean that I would have almost a continuing responsibility which I am sure we did not intend to assume at any time.

Q. But the extraordinary thing to me though was that this word was in the by-laws and it struck me forcibly when I read it the first time. You say that you saw and approved the by-laws, that they were looked over by officials of the corporation—and with a letter they were presented to the Department of Justice to be looked over and they were approved by Order in Council; and in every instance I imagine that men who had knowledge of the meaning or words would carefully scrutinize the phraseology of the proposals, and the word "manage" remained throughout, apparently without anyone noticing the significance of the word; which struck me, I must say, immediately I saw it.—A. It is unfortunate; I think the word should have been "supervize", and we would have had a different understanding. It was never the intention that this committee should manage the affairs of the corporation.

By Mr. Graydon:

Q. It was a matter of letting sleeping dogs lie; I do not know that it would be wise now to change the wording of the order in council when the order has never been acted upon in such a length of time.—A. Perhaps when the committee had been selected and formed there would have been no particular reason why we should not have asked for a change in the order in council if it was not to be the function of this committee to manage.

Q. Are you now going to ask for a change?—A. I would definitely say, if the committee is to be formed, that we should ask and make quite plain that this committee is not to manage the affairs of the corporation.

Q. Now, I would like to get some information on this point, it is one which has come up before in the proceedings, and that is, why was it that the order in council passed in April, 1941 planning an executive committee, which everyone who has given evidence appears to regard as a matter of some necessity and urgency, has never been acted upon up to the present time?—A. I thought I had made my position clear, that the principle and details of the committee had been decided upon, and when that was done we went to see the minister and asked him to appoint an Ottawa member and to replace the members who had retired.

Q. When did you ask the minister to appoint an Ottawa member?—A. I think perhaps it was in January when we had a meeting.

Q. January of 1941?—A. 1941, yes, that is correct; or, March—I mean, it may have been at the March meeting, very likely was the March meeting.

Q. When was the Ottawa member actually appointed?—A. He was appointed just recently?

Q. What do you mean by recently?—A. Three months ago—in May of this year, six weeks ago.

Q. That would be a year and four months after your recommendation for the appointment of an Ottawa man before the government acted?—A. That is right.

Q. That is the story anyway?—A. That is the story, but in the meantime the corporation was not suffering, it was functioning almost similarly.

Q. What I am getting at is this, if there was any necessity for an executive committee it should have been set up and started functioning?—A. That is right.

Q. If there was no necessity for the executive committee then why go through the procedure of having an order in council?—A. Well, perhaps the principal point was because this finance committee which was functioning really had no authority, it was doing a heavy job and taking upon itself responsibilities which it had no right to assume legally under the Act. The Act did provide for the formation of an executive committee so it was really done more to regularize the acts of the finance committee and in keeping with the requirements of the corporation because of this very large development of its business.

Q. It did not regularize the finance committee at all; rather it set up another committee under this order in council?—A. No, but this committee that was to be formed was to take over the function of the finance committee with the addition of an Ottawa member.

By Mr. Coldwell:

Q. Was that the intention of the board?—A. I would say from the authority that the minister at that time had that that is the reason why we were waiting for the Ottawa member, because we wanted somebody here handily who could be summoned very quickly—Mr. Morin was in Montreal, I was in Toronto, and if we had an Ottawa member we could meet on very short notice. Pending that we just went on without the appointment of this committee regularly.

By The Chairman:

Q. Was there anything in the Act or in the regulations which prohibited the board of governors at any time appointing any sub-committee that they might

care to appoint in order to do some special business and to facilitate the general business of the corporation?—A. Not at all, as long as they were acting for the board of governors.

Q. So they were quite within their powers in appointing any committee, no matter what you call it—finance or anything—in order to facilitate business?—A. Within the corporation itself.

Q. Therefore the fact that they did not appoint an executive committee did not react detrimentally against the corporation's administrative powers?—A. In no way.

By Mr. Graydon:

Q. Was this order in council then just a piece of byplay that was not needed at all?—A. I wouldn't say so. The order in council did provide for that, and the Act provided for an executive committee. The executive committee when it was formed had to be regularized by order in council. While it may be acting as this finance committee now acts, the term provided by the Act itself is, "executive committee", and it was within the powers of the board of governors to appoint such a committee.

Q. Your explanation with respect to the word "manage" is very interesting, but if I may say so it does not help us very much with respect to clarifying the real object of the legislation as such; because, when we speak of regularizing the work of the finance committee, this Order in Council over-hauled the whole question of this similar committee within the board of governors, because it not only provided for the legalizing of the finance committee but it went much further than the Act goes actually from the language of this; if this were to be the subject of a court proceedings there is no doubt in my mind that any court would hold that the word "manage" meant much more than what you have admitted here this morning?—A. I agree with you.

Q. And it seems to me that if the word "manage" was not intended to be left in the Order in Council then why was it left in for a year and four months before it was changed; I think the public and the committee have a right to know the reason for that.—A. I can only answer you again that it was never contemplated during the discussions that this committee was to manage the affairs of the corporation. You know how we are fixed, coming from long distances; the by-laws are read out, and no one pays detailed attention—you know the way in which board of that kind usually function—the only way by which we can reach a conclusion as to whether it is a proper one or not is usually by the way it reads, and if it doesn't read just right to you you have it read over again. If we had had some such committee as that it might have answered some of the problems that we were trying to deal with, and that was exactly what we were trying to do.

By Mr. Ross:

Q. Well, Mr. Nathanson, the burdens were getting heavier and heavier all the time on the finance committee?—A. That is right.

Q. And, let us put it frankly, was it hardly fair to ask the members of the finance committee to serve without remuneration such as they would receive if they were members of this executive committee properly authorized; is that one of the reasons?—A. I do not think the question of remuneration even entered into it at all. I do not know any more unselfish body of men than we have had in the board of governors. I think the Act provided a fee, I think it was \$1,000 a year; but I don't ever remember having heard that mentioned within the board at any time. I think the Act provided that the committee could be formed and that it might be paid. As for myself, had it been established and had I served on it I would have served on it without pay, and I believe others of the committee would have done the same thing.

Q. I still don't follow you; why, for instance, if you call it an executive committee, why provision was not made there for the Order in Council also to have regularized the sittings of the finance committee in respect to the things that they had done before; I do not understand why it was not called the finance committee.—A. If you read the Act you will see the reason for that, the Act says nothing about a finance committee but it uses the words "executive committee" and they are both practically the same thing. It is very plain in the Act; it provides that the executive committee of the board of governors shall exercise such powers as the by-laws may specifically mention; and there is no mention whatever of a finance committee. It has the same functions, but that is no reason why you should call it a finance committee.

By the Chairman:

Q. But it did state specifically it was to control finances?—A. Oh yes, it did.

Q. Section A; manages, controls, finances and supervizes operations; it does not make much difference whether you call it a finance committee or an executive committee.—A. As to this Order in Council?

Q. Yes. I mean the Act.—A. It does not so say.

By Mr. Isnor:

Q. Do you intend to continuing the functioning of the finance committee after the appointment of the executive committee?—A. No, that committee was to take its place.

Q. In view of what you said just a moment ago about your executive committee being composed of a representative from Montreal, yourself from Toronto, and an Ottawa man; that really suggests a continuation of your present finance committee?—A. Except that there were to be four members on it.

Q. I see.—A. Three are now on the finance committee, and the executive committee was to be four. It doesn't have to be Toronto or Montreal, I don't care where they come from; it is the question of expediency and getting the men together on very short notice.

Q. But there is this to it, I understood that you had a Mr. Godfrey on your board and— —A. And we had another member from British Columbia at that time.

Q. I hope you do not give any serious thought to dropping the representations from the maritimes?—A. Yes.

By Mr. Coldwell:

Q. I want for a moment to get back to this question of the executive committee; is there anything in the minutes of the board which describes the finance committee as the executive committee and which authorizes it to act in the interim?—A. Not to my knowledge.

Q. You stated that it was the intention of the board of governors to appoint an additional member to the finance committee, and that it then would become the executive committee, at least, that is what I understood?—A. Let us put it the other way; the executive committee was to be a committee of four and because of experience and willingness to take on the duties of the existing finance committee it was decided—as a matter of fact no appointments had been made—but in discussing it among the board of governors it was automatically stated that the chairman and the vice-chairman would be members of the executive committee and there were to be two additional members to be appointed. We were to meet once a month. And another thing which I think ought to be mentioned here is this, that the finance committee have never received anything for their work. The board of governors receive \$50 per meeting, and the finance committee never received anything.

Q. If the executive committee were appointed was the intention to disband altogether the finance committee?—A. That is correct.

Q. The executive committee would perform the functions of the finance committee?—A. Yes. It might be said that the finance committee would continue but it would function as an executive committee instead. This is the purpose that we had in mind, we thought we could regularize it so that it would conform with something for which the Act provided.

Q. Let me get this clear, you personally approved of this by-law, did you?—A. Yes, I think I did.

Q. Did you suggest as chairman of the finance committee that this change be made?—A. I think that we did. I do not think there was any one suggestion. I think it was the thought of the whole board in considering the functions of this committee. We met and discussed it fully, and then after we had the authority for creating the committee we had a special committee of the board prepare the by-laws if I remember rightly, and they were presented to the board of governors at a later date and then discussed with the minister and then I think they were sent on by the minister to council. I think that was about the procedure.

Q. Now, in dealing with that question—that seems to clear up one point in connection with the division of authority—were you responsible for the suggestion that the powers as between Dr. Frigon and Mr. Murray be divided?—A. Not particularly, I think it was the viewpoint of the entire board that because—and again I want emphatically to state that both the management and Major Murray thought that we were doing the right thing, he had no objection to it whatsoever.

Mr. GRAYDON: He said that in evidence.

The WITNESS: Yes; and again, I want to make it clear that our only purpose was to enable us better to deal with the tremendous growth both in finance and operation in the corporation.

By Mr. Coldwell:

Q. Could you define what the functions of the finance committee were as laid down by the board?—A. The finance committee?

Q. Is there any minute which covers the legal authority of the finance committee?—A. There was no legal authority for the finance committee.

Q. No legal authority?—A. That is right. The finance committee was purely a creature of the board itself. Let us put it this way: here we are, a board of governors meeting; many difficulties arise, many difficulties, and the board at its own request and suggestion appoint a finance committee from among its members to deal for the board, without any authority whatever; but we could deal with them and bring back recommendations and make those recommendations to the board and they would act on them as they saw fit. They never at any time had any authority to appoint any finance committee.

Q. So the functions of the finance committee were not exactly analogous to those of the proposed executive committee?—A. They were merely an advisory committee to the board of governors.

Q. Therefore, there really is no executive committee?—A. There is no executive committee.

Q. In other words, this finance committee would not have the powers that the proposed executive committee would have?—A. It had no power to do anything, as I understood it.

By Mr. Graydon:

Q. Have you taken any steps to set up the executive committee since an Ottawa man has been appointed?—A. I think we have only had one meeting since—we haven't had a meeting since that appointment has been made. I think we are having a meeting in August, at our August meeting.

By Mr. Ross:

Q. I think certainly that before then that word "manage" ought to be altered in that order in council?—A. I agree with you entirely.

Q. I think it would be a great mistake if the executive committee had the power to interfere, either directly or indirectly, in the management of the corporation. That is a thing which has been disturbing me more than anything else. I do not think that should be their function at all; as I understand it from you, they were to act in a supervisory capacity only?—A. Yes.

Q. And I think before anything is done the wording should be altered, and I think that should be done before this executive committee is appointed. I do not think that word "manage" should be in there at all.—A. I think it is a proper observation, and perhaps your committee in framing its report might consider it; and I would say that it would be the medium, not only for the management, but for the committee themselves.

By Mr. Coldwell:

Q. Do you supervise the expenditures of the corporation as a finance committee?—A. I would not say that, we do not supervise. We try to analyse them. I cannot say that we take every little detail and have a knowledge of it, because that is beyond the comprehension of our own time; but we do generally go into the question of budgets, the amount to be set aside for programming, and all elements of expenditure; and then monthly we receive a list showing what the expenditure has been so that we know whether we are ahead or behind, and we know whether or not we are keeping back a certain reserve. They are always blaming me, finding fault with me because I always have a little amount in reserve, because I want to come out with a little money to spare at the end of the year, and perhaps I will not let them spend quite as much as they think they would like to; however, to my mind, that is the only way in which we could ever hope to carry on and provide for the development of a business such as ours.

Q. The reason I asked you that was this, in the report presented by Major Murray at pages 373 and 374 of the record, I notice that there were three—I will call them commentators, who received not only fees for broadcasting when they have gone on the air but have also received various payments as consultants and so on, retaining fees; now, looking at the total amounts paid to Mr. Lambert and Mr. Farrell—take Mr. Lambert, for example; in 1941 he received \$6,642.83, of which some \$1,137 was for travelling expenses, but deducting that, something in excess of \$5,000 for services rendered to the corporation; and Mr. Farrell in 1941 received \$2,872.60, of which \$1,250 was for talks and \$407 for travelling, and \$1,250 as consultant. Now, looking over these figures it seems to me that these gentlemen received by way of remuneration almost as much in some cases and in other cases more than regular members of the staff giving fulltime services to the corporation. I would like to ask you this: on what principles of management are appointments like these approved; because the payment are very large, it seems to me, for the services rendered?—A. May I say that they were a point of discussion between the finance committee and the management, and even the board of governors. I for one have always advocated fulltime employees, in fact, I advocated engaging Mr. Lambert at a stated salary,—his salary was very large—and I did not think we could take on that responsibility, particularly because there was not only the feature of his salary itself, but his secretary's and other things that go with an appointment such as his. I opposed that and I took it up with the general manager and I suggested to him that we try to get him on a salary basis of \$4,500 a year; I took the attitude that because he was being paid that amount we could try to engage him for the full year for less than he was receiving for that part-time service, but he refused because he was doing other work. As I recall it he was doing some work in connection with the School of the Air, and there was another organization which took up a good deal of his time and for which he was paid.

Q. I understand that nothing very much was done about the School of the Air until quite recently, since this committee has been sitting, I see Major Murray shaking his head.

MAJOR MURRAY: The School of the Air for the Americas has been running for fifteen months; it is the inter-American University School of the Air which is just beginning.

Mr. COLDWELL: That is where some confusion arose.

The WITNESS: We always scrutinize carefully payments of the kind to Mr. Farrell and Mr. Lambert. They asked for authority to employ Mr. Lambert because I understand he is an educational specialist and they wanted him for work that was considered very important at the time.

Mr. COLDWELL: What do you mean by an educational specialist?

The WITNESS: In the School of the Air we needed some man who had knowledge of the requirements of this department. This was creating a new department for us actually—this was about 15 or 18 months ago—and we thought we should have one who knew something about the proper development of it in Canada, the education feature of it particularly; and I do not know about his ability, but he is supposed to have outstanding ability.

Mr. COLDWELL: I am not questioning his ability; but I will tell you what I am questioning, I am questioning the advisability of having a man in charge of educational broadcasting in this country in relation to our schools who has only been in this country four years and who has had no experience in any school as far as I know either in Great Britain or in this country when it should have people who understand our schools and our educational systems in this country who can conceivably give better service in this regard than a man who has recently come into the country. I speak, I may say, quite objectively, as one who knows something about the system of education in this country and also in the Old Country, because I have had occasion to study both.

The WITNESS: Perhaps I can answer that very quickly by saying that you want us to do exactly what Mr. Ross a few minutes ago said we should not do. However, as I pointed out before, that is essentially a matter and the responsibility of the management.

Mr. COLDWELL: I am still thinking of that little word "manage".

The WITNESS: That is the word. We never adopted the word "manage" literally, because it was not proper.

By Mr. Ross:

Q. If it were a question of policy, or something of that kind, the board of governors would interfere right away?—A. If we started to interfere with the ability of Dr. Frigon and Major Murray it would be impossible.

By Mr. Coldwell:

Q. I understand that quite well I am not suggesting that, but I wanted to get some information about these talks by Mr. Farrell; have you interviewed your own program department as to Mr. Farrell's talks and the value of them?—A. The board of governors would not. Naturally we have no contacts with the program department except estimates that come to us, and reports that come to us from that department through Major Murray at our various meetings. I do not think any member of the board would ever question matters brought up by either Dr. Frigon or Major Murray; that would be most improper.

Q. You are unaware of the fact that program supervisor and committee which discuss programs had on every occasion made adverse reports on this

particular broadcast by Mr. Farrell?—A. I think perhaps the committee, if it had a meeting, would contact the manager, certainly not the board of governors; maybe by hearsay we heard something about them, but it was not direct.

Q. But there is a large amount for what appears to be on the face of it, a comparatively small service?—A. Yes; some say he is good, and some say he is not.

Q. What were the services rendered for which these payments were made to Mr. Farrell?—A. I must repeat, the services are those that the management approve of; payments are shown to us. That is the function of the finance committee; these payments were pointed out by Mr. Baldwin to the committee, the committee in turn would question the management as to their duties and when we received proper and sufficient answers, that is as much as we had a right to do.

Q. You know what Mr. Baldwin's attitude is with regard to this question of payment he made a rather extraordinary statement here in his evidence; he stated that he did not think it was his duty, shall I say, to draw certain matters to the attention of the board of governors—a complaint, or something of that sort, because he might be fired.—A. I read that, but I never found that spirit existing within the corporation. I think if Mr. Baldwin would talk to us quite plainly we would take it the right way, and I am quite satisfied that he would never have been fired; I think we all know and appreciate the service he is rendering to the corporation.

By the Chairman:

Q. Is it not a fact that it is not your duty, nor is it Mr. Baldwin's duty to pass upon the sufficiency or otherwise of people employed by the management, that is strictly under them?—A. Exactly.

Q. So that you would not be called upon and would not be expected to pass judgment on the capabilities of these people?—A. That is it.

By Mr. Coldwell:

Q. I agree with that entirely, but my point is this: these men were paid as consultants and the board has to approve the payment, and naturally the payments would be only for services rendered; what services did they render in their capacity as consultants?—A. I repeat, we would check with the management, we would get a fair reply, there would be some discussion on the board as to whatever report we got; and then I repeat, we never tried to manage or interfere with the management at any time.

Q. That is quite proper, but I wanted to find out whether you adequately supervise the expenditures of this corporation?—A. We analyse them, perhaps; and when you say supervise—we supervise them to the extent that we ask questions about them, of course; and if we get the answer that is as far as we can go.

Q. I notice that in this year, January to May 31, 1942, no payments to them as consultants are shown? Have their services been discontinued?—A. I think it was discontinued. I think it has been discontinued—could you say as to that, Major Murray?

Major MURRAY: There was something in my evidence about that.

Mr. COLDWELL: I understood Major Murray to say in his evidence earlier that no payments as consultants had been made for some time.

Major MURRAY: Not since last September.

Mr. COLDWELL: I thought it was some time ago, not only since last September.

Major MURRAY: Yes, there is a statement in my evidence about that, Mr. Chairman.

By Mr. Coldwell:

Q. There is a figure here with regard to other payments outside of the staff; you do not supervise payments, to whom these payments are made; for example, you have assisting a Mr. Moseley who is a contact man in New York and who has not lived in Canada for any length of time?—A. I think he is. I might also say that we also questioned the management about Mr. Moseley and others and we received fair and proper answers which seemed to be acceptable to us; although, in no sense could we have interfered with them; but let me assure you that all extraordinary expenditures of this kind have been brought to our attention by the treasurer and we ask the manager to explain. When the management does explain them that is as far as we go, unless we feel they are extraordinary; and it seems to me that that is as far as we can go.

Q. Now, the finance has been acting as an executive committee?—A. Well, you can call it either an executive committee or a finance committee.

Q. Is it the function of the executive committee to look into these matters somewhat carefully?—A. I think it is, other than to interfere with the management. We have to have a certain amount of faith in the ability of our management to make up programs, and to have a knowledge of the people they employ. We could not possibly do that or even supervise it.

Q. Have you ever heard anything to the effect that one of Mr. Moseley's own broadcasts was cancelled in June, 1941, because it infringed our own regulations?—A. No, I have not.

Q. I have been told that, I have been told it was done after reference to the Department of External Affairs.—A. It was never brought to our attention in any event.

Q. It was never brought to your attention?—A. No.

By Mr. Graydon:

Q. There has been considerable time of the committee taken up with respect to the Plaunt-Thompson reports. In the Thompson report Dr. Frigon I think gave this evidence that a number of recommendations there were not accepted or approved by the board of governors; but one of the things which has been concerning I think the members of the committee was the failure of the board of governors to really come to grips early after the report had been submitted to the board by both Plaunt and Thompson. The evidence shows that in September of 1939 the two reports were placed, were released I think to the October meeting of the board of governors in 1939, and they failed to deal with the report that first time; and then when the board met again the following January it failed to deal with it; and again in April of 1940; and then followed the meeting of the finance committee in July of 1940, then followed the full meeting of the board of governors on some date in August of 1940; and then followed the end of that meeting or very closely on its heels the resignation of Allan B. Plaunt, a member of the board of governors submitted to the Hon. C. D. Howe a letter—and without attempting to read that letter which is here in the record—it was very clear that he thought there was a woeful delay in respect to giving consideration to the main recommendations of both reports, so much of a delay that he was led to premise his resignation on the failure of the board of governors to deal with the recommendations of these reports. Now, we had on the stand the chairman of the board of governors, Mr. Morin; we had on the stand a number of others, and I think you, Mr. Nathanson, are the first or second member of the board of governors we have had the opportunity of examining on this point; what was the real reason for the failure of the board of governors to deal with these reports at once after the reports had been submitted and after they had been authorized by the board of governors, and after the expense of the reports had been incurred?—A. I think I can

answer that very quickly in this way: I think we received the reports at the meeting in October; and I think Mr. Plaunt was present at the meeting when these reports were submitted and he said, in addition to these reports I am going to submit a verbal report of other conclusions that I have come to that I do not want to have in writing. I think the board then after discussion appointed a committee to deal with the Plaunt-Thompson report.

Q. Were you on that committee?—A. Yes, I was on that committee. I think it was the finance committee, plus Mr. Plaunt. Needless to say I had a very high regard for Mr. Plaunt and understood some of the difficulties we were facing; and we met again in January I think was the next meeting—

Q. That was January 22nd?—A. I think it was.

Q. And it was at that meeting of the board of governors that they with unusual prophetic sense stated that in their opinion the general election was coming?

Mr. CASSELMAN: Of course, a general election was coming in 1940, so they didn't need to have any special sense.

The WITNESS: I don't think the board of governors had anything to do with that. But let me follow your question up, if I may: then I think Mr. Plaunt was taken ill, either before or after that time, and he came to Toronto for an operation, if I remember rightly, and then he went to Bermuda in the early spring for a holiday; and then I think he came back—I am giving the sequence because I want to explain what happened—he didn't attend the January meeting and he didn't attend the April meeting; and then we got into a series of discussions with the Canadian Press and we had a problem that had to be faced.

Q. That was your August meeting, with the Canadian Press?—A. Yes, and we had a really big problem to deal with; and I was personally dealing with it, with the work of the committee leading up to that final meeting in August which was the culmination of all the work that the committee had done and the meetings that we had had as a committee previously with the committee of the Canadian Press following on that April meeting; and we said to Mr. Plaunt, we will set a date and we will meet in Montreal; I think we said, we will give you—let us take a day or two before the August meeting, and we agreed to do nothing else but discuss his report. In the meantime a serious development arose almost overnight in connection with the Canadian Press so that we could not have our meeting in Montreal. I was unable to go, and Mr. Godfrey I think also was unable to go—I don't remember just about that. We got to Ottawa and Mr. Plaunt—and I think Mr. Plaunt acquiesced in this meeting—I am not sure about that at the moment—I do know that we dealt entirely with the affairs of the Canadian Press, and with the problems we had to face there; and then we had our annual meeting here, I think it was in August, and we met again in August for the specific purpose of finalizing the Canadian Press situation and dealing with the Allan Plaunt report. That was satisfactory to Mr. Plaunt. We sat here I think for several days and we did a lot of other business and hearings and we had got to the point where we didn't think we could give proper attention to the Plaunt report; and I finally asked Mr. Plaunt to go into Mr. Murray's office with Mr. Morin and explain some of the problems and difficulties we were having; and I said that I would be willing to sit but that Mr. Godfrey had to return, but we could hold the meeting now if he wanted to; and I said, we have gone this long, would it not be advisable to wait until another meeting and then devote our full time to it. I think you will find in the minutes of the CBC some reference to the fact that there had been delay in the consideration of this report. At page 525 of your proceedings you will find this:—

Mr. Plaunt drew to the board's attention the fact that the committee named at the April meeting to examine the reorganization reports of himself and Mr. James C. Thompson and to report to the present

meeting had not, in fact, met. Mr. Plaunt said he thought it was clearly understood that this committee was to meet immediately prior to the present meeting. He said he wished to make his position in the matter clear to the board as a whole. The chairman pointed out that the matter was still in the hands of the committee, but that there seemed to be no reason why it should not be dealt with at the next meeting.

When I left here at that time I left full of confidence that Mr. Plaunt was satisfied that we were going to deal with it at our next hearing; remember, in his report to us he said that he wanted to make a supplementary report as well verbally; giving us his opinion, I think, in connection with certain phases of management, and other ideas that he had with respect to the organization of the CBC.

Q. Yes; but, Mr. Nathanson, assuming that Mr. Plaunt was agreeable to have it put over until another meeting; assuming all that, which the evidence apparently does not entirely bear out, as far as his letters given in the matter of public interest which centred around these reports—doesn't it seem reasonable to you that these reports should have been dealt with by a full meeting of the board of governors, whether it was a special one called for the purpose or not, at least before a year and a half, or a year and one or two or three months after the report had been submitted?—A. We adopted what we felt were the better portions of the report; but let me say this—

Q. Why did you adopt these better portions of the report if you had not heard Mr. Plaunt's verbal recommendations?—A. Because the things that we adopted were in the line of being at least good business; such things as the question of a different financial statement providing for cash and contingent accounts; they had nothing whatever to do with the problem which I think Mr. Plaunt wanted to present to the board verbally.

By Mr. Coldwell:

Q. What was the trouble with Mr. Plaunt?—A. I think it was some disagreement he had with the general manager; there seemed to be some opposition on his part to the management for reasons that we could not understand. I think perhaps there were some things he wanted to bring to our attention that were not in his report. Speaking of this Plaunt-Thompson report, I am wondering really if it has been read through carefully, and I presume it has, by the committee; why, there is nothing in the report that is so momentous that we have to face the public with it; nor is there anything in the report that would suggest that something was happening in the interior management of the corporation that was not right. I have read the report many times. I thought the minister should publish it, and I was glad to see it published, and I am satisfied with the result. You can ask anyone you may think capable to report on any business with which you are connected and you can have as many of them as you like and you will receive different opinion from each man who makes such a report, and they will all of them probably take exception to something that the manager or the management are doing. Just in the same way with this report, there are some things in it in which he took exception to the way the management was operating. There were some suggestions, I suppose they were entirely proper, one of them for instance had to do with this centralization idea—

Mr. COLDWELL: Of course, that was the Thompson report.

The WITNESS: No; it was even recommended, I think you will find it recommended by Mr. Plaunt; that idea that we should deal with the building of studios, for instance; which I agree we require; but I did think we would have to face, if we did that, not only the cost of the buildings but their maintenance afterwards; and another thing we were in a period of war and uncertain times and I

objected to any large expenditure at this time on that account. We may be in a better position to consider a matter of that kind after this war is over and our position is more clearly established.

Q. For instance, in the Thompson branch of the Plaunt-Thompson report the control of finance was recommended to be left with the treasurer of the corporation, which seems to be a rather important recommendation; what are the reasons that guided the board of governors in not accepting that recommendation and transferring it to the assistant general manager?—A. I do not think there is any particular reason. We all held Mr. Baldwin in high esteem, but the assistant general manager at that time was dealing with purchasing and finance in general, and he was also in charge of construction, and we felt that because of his close association with the management that perhaps we should not weaken the cohesion in management which that arrangement seemed to secure. I think Mr. Baldwin would have been perhaps acceptable. We thought perhaps Dr. Frigon had a better knowledge of the intricate details than he would have had.

Q. It was a matter of judgment?—A. That is right.

By Mr. Coldwell:

Q. You said there was nothing in the Plaunt report which has given particular concern to the board of governors?—A. No.

Q. Well, on page 608 we have Mr. Plaunt's report, and this statement is made: "If one looks for the causes of this situation"—that is in connection with staff, which I do not think was exaggerated—"one is ultimately obliged to conclude that it lies in the inability of the general manager to take firm action in this regard. Whatever the reasons, the results are a deteriorating morale and a sense of discouragement in a type of business which requires, above all things, flexibility, initiative, new ideas and vitality." Now, Mr. Nathanson, you knew Mr. Plaunt, and you knew the manner in which he usually expressed himself, and his reserved nature, and I would think that a statement of that description in a report which he signed warranted the board of governors in looking into the reasons for this particular statement very directly; and then, in view of the statements that were made subsequently when you passed a resolution of confidence; Mr. Plaunt issued a statement at that time and it was a little more, shall I say, specific than this; and then you have the resignation from the staff of Mr. Buchanan and Mr. Pickering; and it seems to me that the board did not look into this report in the manner in which one would have expected, to see if there was anything in the condition of affairs which would warrant the statement which Mr. Plaunt had made.—A. Perhaps I can give you a complete answer to it; that was Mr. Plaunt's opinion. The board read his report and as a result some of the board apparently didn't agree with Mr. Plaunt, and that was the reason of the further report subsequently.

Q. This report was read to the board and the board disagreed with Mr. Plaunt's findings, and the board disagreed with Mr. Plaunt's conclusions in this regard?—A. Apparently so, or they would not have issued the statement they did.

Q. When was this report discussed?—A. You stated a few minutes ago, the report was brought to the meeting in October of 1939; that was the first time the board had the report in their hands, and they had not yet had the verbal report which he said he wanted to make in addition to it.

Q. That is in the evidence.—A. Pardon?

Q. I say, that is in the evidence?—A. I do not know what the evidence was, I can only say that we thought when we had the report before us, I think there were not sufficient copies for that meeting and copies were to be obtained for use later; and I think Mr. Godfrey was the only one who had the statements made by Mr. Plaunt in this report.

Q. When did the board discuss his conclusions; when did they disagree with this statement?—A. I think we had a meeting in camera about it. We had an open discussion. I do not think there were any records made of it. We saw that there was a feeling between Mr. Plaunt and Major Murray which was evidenced by certain remarks made by Mr. Plaunt on certain occasions. What that reason was we never knew.

Q. You say you did not know the reason for it?—A. No, because he was to give us a verbal report which we never received.

Q. And yet you discussed this in camera with him?—A. We did not discuss it in front of the management. We asked the management to withdraw, I think we do that on several occasions, because we wanted to be free and we wanted to have Mr. Plaunt free, to go into it.

Q. When Mr. Plaunt was free, did he not go into this matter?—A. He made no specific charges of any kind at any time. But he did suggest that, before any final conclusion was reached, when we dealt with this report, he would give us a further verbal report as well, which I repeat again we never did receive.

Q. No. Because it was sixteen months or more afterwards.—A. Unfortunately Mr. Plaunt was away a great deal. When he came back finally, he was not able to carry on. He came to a meeting for an hour, I think, and had to leave it again.

Q. I saw Mr. Plaunt very shortly before his death. He asked me if I would come up to see him and I did. What you now say does not conform with what he told me of the kind of pressure that he had brought to bear on certain members of the board. If I may say so—and this was shortly before he died—he thought that some members of the board, and particularly yourself, were not anxious to go into this report.—A. Oh, I think that is not right at all.

Q. That was his impression.—A. No. Because I had discussed with him also and discussed at this meeting that I am speaking about in August, when I pointed out to him the whole detail of it, Mr. Morin and myself. I thought the report was important enough, having given the time and cost that was given to it, that we should have paid a great deal of attention to it. It was our intention to do so. But I was never more disturbed or discouraged when I read of the resignation of Mr. Plaunt; so much so, that I want to tell you I went to his home that evening and asked him as a personal favour to myself to recall his resignation.

Q. I do not know very much about that.—A. Mrs. Plaunt will tell you that. I told him I thought he was going to destroy the thing that he had tried to create, and if there were differences of opinion between the manager and himself, let us find out what they were and clarify them. That was the proper way for an organization to do. Because, after all, we had big problems. This was a new business. It is not an easy thing to get men to operate this business. It is all right for Mr. Plaunt—his opinions were sound and fine—to find fault with the management. But let me tell you that had we lost Mr. Murray, it would have been difficult to find one as capable as he was. I mean, it is not easy just to put people out and get others to take their place. This business did not grow up itself. It grew because of his handling. It is a big business today, and it is not easy to operate because it is a new business.

Q. You spoke of differences between Mr. Plaunt and Major Murray. Were those differences in regard to policy or were those differences of a different type altogether?—A. I never knew. I judged that as to policy, slightly only; but perhaps more personal than anything else. I do not know just what it was. I know that Mr. Plaunt felt that Mr. Murray was not exactly what he wanted him to be. I do not know in what sense. His views were never expressed. He was to give us this report, but I repeat again that we never received it.

By the Chairman:

Q. Did Mr. Plaunt attempt at any time to dictate to the general manager with reference to appointments?—A. Well, I would not know that. I would not say. I doubt it. I do not ever remember a member of the Board of Governors requesting an appointment. If he did, it would be between the general manager and Mr. Plaunt, and I would prefer not to know about it. I want to assure the committee that every member of the board felt the same way as I did. I am sorry to hear that there was another viewpoint different than what actually took place. I repeat again that at the August meeting I sincerely—I personally favoured asking him to give us an opportunity to deal with it at the proper time when we had nothing else to do. I assure you, and I think you can get Mr. Morin to corroborate this, that he agreed to that, I said, "We will meet and deal with this no matter how much time we have got to spend." The next thing I knew, just after that, he resigned. I went to his home. I called him up. I did everything I could to convince him that he had made a mistake, because he was a very valuable member of the Board of Governors, one of its most valuable members.

By Mr. Coldwell:

Q. Let us change the subject and go on to something else. As chairman of the finance committee, do you have anything to do with recommendations regarding broadcasting licenses?—A. No. I am not on that committee.

Q. That is a different committee?—A. That is another committee, what they call the technical committee. I am not on that committee.

Q. You are not on that committee?—A. No.

Q. But the review of its work naturally comes before the Board of Governors?—A. Usually our procedure is this, with respect to the technical committee. They bring their report to the board and the board finally act on it in one way or another. But they have the final say, of course. The technical committee act in the same way as we might do as the finance committee.

Q. I am not blaming the board for this because I know the difficulties of a voluntary board, where men are giving their time as the Board of Governors are; and I think the people of Canada appreciate the number of people who do give their time to these various organizations. But it has struck me that the number of meetings held are not relatively great,—that is, of the board itself,—and that quite important matters regarding broadcasting licenses must consume a great deal of the time of the board. Could you give us any idea as to whether or not that is so?—A. Well, they do. Perhaps that might have been a function of the executive committee if it had been formed. I agree with you that many times the times between meetings of the board are too far apart. A lot of problems come up that require some attention. We try to deal with them. If we go into a problem by telegraph, that is not always satisfactory. But I am hoping now that the board is full, that we will have regular stated meetings, perhaps more often than we have had; and if the committee is formed, I hope it will meet at least once a month; that is, the executive committee. I think more than ever we require them. I am sure the committee must realize that the future of radio is tremendous.

Q. Yes.—A. After the war it must be one of the finest things of our lives. We have not even started with television in this country. We are away behind any other country, particularly say England and the United States. We have not started with a lot of developments of radio. I, for one, will never be satisfied until I see a radio in nearly every home in Canada, because it belongs to the people. There are so many other problems we have got to face. Money is the basis of all of our future problems. How do we get the money to do these things?

Q. I am glad to hear you say that, Mr. Nathanson. I know you are connected with the moving picture industry. I have always wondered if there

might not be some idea that radio might compete through television with the motion picture industry. I stated that the other day when you were not here, so I thought I would say it now that you are here.—A. I know of no conflict of interest, as a matter of fact. I do not know what they have to do with each other at all. Let me assure the committee,—perhaps I was asked to join the board in the first place because of my knowledge of entertainment, which is one of the basic principles of radio, but I know of no conflict between motion picture entertainment and radio.

Q. I think the Gallup poll on one occasion gave some data. I have not got it here just now, but I just remember it in a hazy sort of way. I think they classified the radio as a competitor with the moving picture industry, and perhaps that stuck in my mind and caused me to ask the question.—A. I would say the opposite. Perhaps the time may come. One thing I can stress more than anything else is the development of television that we might have. But let me assure you I will never be content until we do start something in the future development of radio. There are many things. We have no conception of what is going to happen in the next ten years in radio. I mean, to me the possibilities are unbounded. I believe we will bring people close together in Canada for the first time. They will see each other and know each other better than they do now.

Q. The reason I asked the question about meetings of the board was this. I agree with you thoroughly. I have had the feeling that perhaps the Board of Governors should be recompensed in some way for the time they spent and that they should give more attention to this particular phase of the radio business. I am not criticizing the general manager in that regard. Some of my questions may have indicated criticism, but in this particular regard I have respect for the ability of the general manager. I think that he has endeavoured to raise the radio business in some respects to a high level, and I think that one should acknowledge that immediately. But I felt that the board perhaps was not giving sufficient attention to this particular phase of the work of the corporation.—A. Perhaps I could explain really what happened. We were short three members. The finance committee would meet. Mrs. McClung could not come. She was ill, so it left us short. The finance committee met quite often, more often than you can realize because we have had to. The Board of Governors should meet oftener. They are public trustees. They have got to take great responsibility. I do not believe that paying them more would alter their interest in it.

Q. No, I do not think it would. I mean that men and women who have to leave their businesses and so on ought not to do this continuously year after year without some recognition of the loss that is entailed.—A. Perhaps a little praise now and then instead of criticism might help.

By Mr. Ross:

Q. I agree with you that a little praise might help. I would like to ask a question with respect to the Board of Governors. Radio has grown; you have just given us your idea of the future of radio, and said that the possibilities are unlimited.—A. Yes.

Q. There are two or three questions I would like to ask about that. One is in connection with the Board of Governors.—A. I beg your pardon?

Q. I would like to ask a question about the Board of Governors. One of the conditions is laid down in the act. It practically says that no one can be appointed to the Board of Governors if he has anything to do with radio at all.—A. That is right.

Q. That is in the act. That to my mind seems to be not just the right thing. I suggest that there might be at least one ex-private radio operator on the board, which would be of assistance. You were in the show business?—A. Yes.

Q. You understand this game to quite an extent. I do not want to cast any aspersions on the Board or Governors, but I think that it would be very valuable if you had men on that board in this business who had some experience in connection with radio. I should think they would be very helpful. What would be your idea on that?—A. Because of the clash of interests that might develop between private and government broadcasting, that would not be effective. Let me say what I have suggested and that we are trying to create, and I think we have done in the past year or two is a very close working committee between the management of our corporation and private broadcasters; because I want to state here that private broadcasters do and are doing an important job in national broadcasting. I am not interested in how profitable it is or how unprofitable it is. That is none of my business. But I think we ought to realize here that we would need millions of dollars to go ahead and get that broadcasting in this country if we did not have the co-operation of the association of private broadcasters. I do not think the private broadcaster's place on the Board of Governors is right. I do not think they would even want it. I think you would find they would prefer dealing as they have with us in the past, in a co-operative spirit. They ask for things. They do not always get them.

Q. I said an ex-private broadcaster.—A. Oh, I beg your pardon. I did not hear that.

Q. That is what I said.—A. I would say that any man with experience is very valuable to the C.B.C. I see no objection to that, because of his past affiliations.

Q. Arising out of that, I would like to ask another question. You are in the show business. In connection with salaries paid, for instance, how do those salaries compare with those paid in the C.B.C., with regard to talent and so on?—A. Mr. Ross, I would not like to answer that because I am afraid it would cause a very large demand for an increase of salaries of the employees of the C.B.C.

By Mr. Graydon:

Q. Of course, an increase in salary can never be placed upon just as nice a basis as that. After all, a man is worthy of his hire.—A. That is right.

Q. The question of the amount that a man gets is not so important as the contribution he makes for the amount that is given to him. That is the real basis.—A. That is right. It is a creative art. We have been looking for an outstanding producer. If I could find one, I would suggest to Mr. Murray to pay him anything he could get, if he could create the things that we ought to have.

Q. You would not suggest that to the manager, he having full control, as you said a while ago?—A. Oh, no. I mean to say, I am not speaking literally. I am only saying that I agree with your viewpoint exactly. You cannot base any creative art on payments. A man who is a great artist can create things and he might be worth \$50,000 a year. Yet a man who is only drawing \$5,000 a year may not be even earning his \$5,000. We have a difficulty to-day in developing program producers, I assure you, but we have done well under the circumstances.

By Mr. Ross:

Q. I could understand that. I suppose what you have to do is to cut your coat according to your cloth. Is that the idea?—A. Yes. The cloth is not too long in these days, either.

Q. On the other hand, I think that we are trying to develop in this country and we must encourage this; and just because there are plenty of these artists we would not say we will pay them anything we want to pay them. I agree with Mr. Graydon and yourself, that they should get salaries commensurate with what they are doing.—A. I agree.

By Mr. Isnor:

Q. Mr. Nathanson, I do not know whether I misunderstood your reply or whether you gave one that was satisfactory to Mr. Coldwell. He inquired as to the number of meetings held by the board. You in your answer stated that you felt there should be at least a meeting a month of the executive committee. You did not refer then to the board meetings?—A. Well, perhaps we had thought about ten meetings a year; eliminating the summer months, that is, monthly. The Board of Governors should meet oftener than they do. I would like to see the Board of Governors meet at least I would say—we have met on an average of about four times a year, but that is not often enough. I would like to see meetings held perhaps every two months if possible of the Board of Governors.

Q. Are they meeting four times a year now, on an average?—A. We meet about four times a year, on the average, yes.

By the Chairman:

Q. Mr. Nathanson, in that regard, what are your observations with reference to the set-up according to the act, with reference to geographical representation on the board? I suggest to you that probably the better method would be on a population basis. For instance, we have two members on the board coming from the province of Saskatchewan and a province with five times the population has two members?—A. Yes.

Q. Is it not a fact that the carrying out of geographical representation makes it much more difficult to have frequent meetings of the Board of Governors than otherwise would be the case if they were on a population basis?—A. I would say that is so. It is just unfortunate that it has so happened that the member who was selected from New Brunswick finally moved to Saskatoon.

Q. And he still continued to be a member?—A. Yes. I never believed greatly in geographical representation. I thought the board ought to be composed of men and women who have a great interest in radio, who treat it as a public trust. I always felt that the west should be represented—British Columbia. I think we were represented initially in Manitoba by Mr. Brockington. Toronto has been represented by two members—Ontario, rather. But after all, we are dealing not only with populations, Mr. Chairman, but we are dealing with distances as well. It has got to be just as vitally important to provide radio for even the spaces where population is lacking as where it is not. Each has its own problems. Perhaps if we dealt with it on the question of population, we might get better representation. We would have a closer group to meet together. Now they have to come from Saskatoon; they have to come from Winnipeg; they have to come from Halifax. It is not always easy to get a meeting together of the board at a given time.

Q. Under those conditions?—A. Yes, under those conditions.

By Mr. Graydon:

Q. There is another angle which was stressed, I think, at one of the meetings of the committee here. That was the evident desirability of having two classes of our population properly represented on the Board of Governors, having in mind that they do constitute perhaps the two largest sections of the listening audience that you have. I refer to the farmer and the working man.—A. Yes.

Q. I think that some consideration will have to be given by the government to a definite policy with respect to appointments to the Board of Governors. I have not any desire to reflect upon the appointments which have been made. But I do think that the system employed perhaps might be capable of considerable improvement; because there is no doubt in my mind that there should be a farmer on the Board of Governors. That may perhaps

seem strange to some who are not as close to agriculture as many of us who represent those ridings are. But the influence of a farmer on any board is a good influence, because businessmen generally sometimes are apt to go in certain grooves, and a farmer sometimes can take them out of the groove. The influence of a farmer, particularly on a board such as this, I think, would be very good, providing that you get the right type of agricultural representative, which always is important. Similarly with the industrial worker; it seems to me that he ought to have adequate representation on a board which is of such national importance and national concern as the C.B.C. Board of Governors. Those are two things, in addition to what the chairman has pointed out, which ought, I think, to be considerations that would have the approval of the government and which ought to be carried out.—A. Of course, that is within the scope of government policy. But speaking for myself, having gone from the show business and gone to farming recently, I would welcome a farm representative. I would be glad to, because, knowing the problems of the farmer since I became one, I think I might have some one to talk to.

By Mr. Coldwell:

Q. Maybe you are like another gentleman in Ontario to whom I spoke on one occasion. He said, "Mr. Coldwell, come out and have a drink of my Jersey milk from my own cows." He added, "You can choose either milk or champagne. It costs me just about the same."—A. I have not any champagne but I have a lot of good Jersey milk.

Q. I wondered if you happened to be one of that sort of farmers.—A. No.

Q. Those are not the farmers Mr. Graydon is talking about either.

By Mr. Graydon:

Q. I am talking about farmers who have some chores to do in the morning.—A. Yes. And I do. I have tried to learn them pretty rapidly.

By Mrs. Casselman:

Q. Before we get away from that, may I ask if this question of superannuation comes under Mr. Nathanson's department?—A. You mean the question of providing a pension?

Q. Providing a pension or superannuation?—A. Yes. It does come under the function of the finance committee because of the finances involved. We have always been in favour of this. We were going to create it but there were two problems we had to face. One was to apply the cost of living bonus to the employees which took, I think, somewhere between \$75,000. The pension scheme that we have got in mind requires about \$80,000 or \$90,000; and remember we are only doing this for our own employees. If we took money away from the income we have got, unless we increase it, it must be taken away from something that is controllable. The only controllable expenditure we have to-day is our programs. Our wire lines are fixed. Our engineering is fixed. Nearly everything except programs is fixed. Take this news situation that is developing now. If we have to provide certain moneys, they have to come from somewhere; and we have no other means of revenue except either licence fees or commercials.

Q. It has always seemed to me that should be one of the first charges—A. I think it is.

Q. Because of the human element?—A. Yes. I may answer by telling you that at a meeting in Montreal I think we adopted a plan, did we not, Dr. Frigon, which we are proceeding with. We invite employees—we are trying

to get the best data we can. We hoped we might have come into the government scheme, but apparently we may not be able to; it would cost us less and would still give the maximum amount. Failing that, we are going on with our own plan and it is very essential and necessary. I think the employees of the C.B.C. should know that there is a pension fund for them. I think they will really want to develop the corporation and stay with them rather than leave them.

By Mr. Graydon:

Q. You are making progress with it now or in the near future?—A. We are dealing with it immediately. We dealt with it at the last meeting and we are going to proceed with it at the next meeting of the Board of Governors.

Q. It is not something that is being shelved?—A. No. Just the opposite.

By Mr. Coldwell:

Q. Is there any possibility of getting some arrangement whereby the C.B.C. employees could get in under the government plan? I mean, it would be a considerable saving both to the corporation and the employees.—A. I do not know that they are really entitled to it. We have not been able to find out. What was the last? The Justice Department say we are not eligible. I hope with a little patience and perseverance they may find something in the law, a word or two—not the word “manage”—but a word like that, which would make us eligible.

Mr. GRAYDON: They have a better word than that. They have the word “emanation.” In one opinion of the Department of Justice they said there was no question about this, that you people were an “emanation of the crown.” So I should think that by an application of that decision you would have no trouble in bringing C.B.C. employees into the plan.

Mrs. CASSELMAN: Could it not be done by order in council?

Mr. GRAYDON: I hope the order in council does not stand as long as the one of April, 1941, did.

The WITNESS: I do not think it will. The question of the pension fund is an important one. We are not going to drop it. If we are not eligible, we are going to provide one ourselves within our own employees and do it in the interests of all the employees. I agree that it is an essential factor. Realizing the many problems we have had to face during the war, the extra costs we have had to take on, you will realize that a pension fund, once it is started, is continuous. It is nothing you can drop. It is a fixed charge against you.

By Mr. Coldwell:

Q. That might be a useful point for the committee to remember, the difficulty of coming under the government scheme. This committee might approach the government and suggest that some change might be made in the regulations to permit organizations such as the C.B.C. coming under the government plan. That is something that the committee might consider.—A. Yes. It is beyond our power.

Q. I realize that. But this committee is a parliamentary committee and could make a recommendation of that description.—A. We would like to get that.

The CHAIRMAN: The government will probably consider that all types of pensions or superannuation are a type of deferred pay or bonus—which they essentially are—and they are not disposed, I suggest to you, at the present time to enter into contracts of any kind that are going to give people bonuses.

By Mr. Coldwell:

Q. Of course, that situation may change to some extent, and it has advantages. The government is finding it an advantage now, for example, to have at its disposal the payments made by workers and employers under the unemployment scheme. The payments that are made are valuable to the government at the present time; and I rather fancy that one of the reasons why the government adopted the unemployment measure when it did was because it realized that payments would be substantial and would be available for the use of the country. The same thing applies to premiums paid for government pension schemes. And, after all, the C.B.C. employees as far as I can find out are not at all over-paid when you consider the nature of the work they are doing and compare their salaries with others?—A. Their future should be looked after; that I think is one of the essential requirements, and we have been trying to do it. We do not want to go to a private institution and give them funds that we thought perhaps that the government might possibly use cheaper and better; but failing that we certainly are going ahead, details are being worked out now, I assure you; and I think I speak for the management—they are both here—it is one of the most essential things we have to deal with.

Q. I hope you won't give up trying to approach the government further on this matter.

By the Chairman:

Q. One of the problems which has come up before the committee has to do with the establishment of a high-power shortwave system; would you let us have your observations on that particular problem?—A. Yes. I have always been in favour of the installation of a shortwave system; but there are problems that we have to face with that. It is really something the C.B.C. should have no financial connection with. It requires a great deal of money, it requires control and it requires operation. I have always taken the view that the C.B.C.'s management should supervise it, but have nothing further to do with it in its financial operations. I think it is a necessity and that we must have it. I think after the war it is going to be of even more vital importance than it is at the present time. I have expressed my opinion to the board and I think most of the board agree with that opinion.

By Mr. Graydon:

Q. Has the board ever taken any forthright stand with respect to the establishment of a high-powered shortwave station and brought it forcibly to the attention of the government?—A. I think, if I remember rightly, we passed a resolution with a letter from the chairman quite a long time ago recommending that and asking the government to proceed with it, and outlining the viewpoint that I have just given; that financially we could not in any way undertake any expense in connection with it.

Q. I am fairly in agreement with that point. I do not think the finances of the C.B.C. would be utilized— —A. Would permit it.

Q. —should be utilized for a high-powered shortwave station, and that that is a matter of national interest which is a matter of government policy, and being government policy it is perhaps outside of the scope and purview of the board of governors. It seems to me that any financial undertaking there should be borne by the government, and that the matter of operation should be left in the hands of specialists; and in this instance the specialists who are best able to ensure the economical operation of the shortwave system would be the C.B.C.

By Mr. Ross:

Q. Just along those lines, so you think it is a necessity practically for Canada, and it is very important that we should have it. It would cost us, as I understand it, about three or four hundred thousand dollars to run, and we have always been told by the ministers that it was going to cost quite a lot. From my point of view, however, what do you think would be its value; would it be worth \$300,000 or \$400,000 to Canada; or, would it be worth \$1,000,000?—A. Can we measure it in dollars and cents? Just look at the future.

Q. Can't we measure it that way?—A. No, I don't think we can, because the goodwill that Canada can create in South America would make markets for us.

Q. That is what I am thinking of.—A. Looking at the commercial angle, the future good we can give to the seller after the war and during the war; I do not think you can measure costs or returns in terms of money. We have heard so much about money, and the losses in shortwave broadcasting; I do not think it represents anything at all. It is something that is going ahead and gaining in importance and it should be developed; and if we do develop it let us make it worth while, let us make sure that we have the machinery and the men to run it and the finances with which to run it properly.

By Mr. Graydon:

Q. Do you think it would be good business for Canada—speaking personally perhaps and outside your position on the board of governors—would it be good business for Canada to at once take some steps to establish a national high-powered shortwave system?—A. I think it would be.

By the Chairman:

Q. On what do you base that opinion?—A. Well, in answer to that, Mr. Chairman, I would point out that recently the American government have seen fit to ask the networks in the United States, particularly Columbia which has just cleared a very large broadcasting station for South America, to evaluate the South American outlet. I think Canada should be better known and could be better known and could build up goodwill through the use of the proper short-wave station. Everybody knows it is being done by the countries of Europe, and by the United States; and we do it in a secondary way with the station we created ourselves. I believe it has commercial returns far ahead of any other expenditure.

Q. But you would agree that there is no possible way of evaluating the returns from it?—A. No possible way.

Q. You do know what it will cost, and what it will cost to operate, but you can't begin to say what you are going to get out of it by way of returns or benefits from it?—A. There is no way of doing that.

Mr. GRAYDON: Of course, when we entered this war, we did not ask for a balance sheet before we made the step.

The CHAIRMAN: No, if we know what it is going to cost.

The WITNESS: It will probably cost more than the estimates indicate before they get through with it if they do it properly.

By Mr. Coldwell:

Q. I want to ask you another question which occurred to me arising out of this: Dr. Frigon's responsibility is for technical matters and those connected with the treasury, and Major Murray's is for programs; do they consult the finance committee independently or each other in connection with these points?—A. What?

Q. Does each one deal with you regarding his own department, or how do these matters come to the attention of your finance committee; you understand my point, that Dr. Frigon is the comptroller?—A. No. Dr. Frigon's department deals with construction and finance and those are the matters which he brings to the attention of the finance committee; in the one instance he is carrying out his duties as assistant general manager in charge of construction, while with respect to the other he is acting as financial comptroller.

Q. And Major Murray's expenditures come to you through the comptroller?—A. Oh no, they would come to us in his report from his department, approving or suggesting certain expenditures and payments, and they are given consideration by the finance committee; and sometimes they are passed back and forth a good many times. We deal with them and we ask if he cannot do this or if he cannot do that; and if he cannot avoid this increase at this time, and how about the amount of that; we are all the time trying to keep it down to a minimum, but we deal with each of them separately.

Q. Are staff appointments considered by the finance committee?—A. Well, I say staff, or any substantial expenditure and they come directly from Major Murray when it relates to program operation and from Dr. Frigon in connection with construction.

Q. I understood you to say just now that the matter of commentators which I raised some time ago did not come before the finance committee?—A. What?

Q. Commentators?—A. Did not?

Q. Did not?—A. It would only come before us in the normal course of checking up expenditures when we would see it and would ask for an explanation about it; there would be no reference to us for our approval.

Q. How about station appointments?—A. I think I have covered that point; their requirements are submitted to us for approval and when we are satisfied by the management as to the reasonableness of their demands we give our approval.

By the Chairman:

Q. Is not a big part of the work of the finance committee rather more approval than investigation?—A. Oh, I would say it is almost altogether, because we could not possibly—

Q. You could not possibly go into all the details?—A. No.

By Mr. Coldwell:

Q. I understand that. Now, when attempting war programs and so on, emergency programs that have to be put into effect; how does that come to you, does that come through the comptroller or from Major Murray?—A. I think all the emergency programs are well taken care of; if there is anything extraordinary it will be brought to our attention either by the comptroller or the treasurer—it is just routine as long as it is within the budget.

Q. So the comptroller or the treasurer would report, not Major Murray?—A. If they are in keeping with the budget; you see, we prepare budgets providing for so much expenditure weekly or monthly; so long as they are within that budget they spend the money as they see fit, either the program group or the engineering group.

Q. The point I am making was this, I was trying to find out where the control really lay; how the reports were made; I wanted to see whether Major Murray made his reports to you direct or whether they came to you through the comptroller or the treasurer?—A. You see, we have progressive reports from both Dr. Frigon and Major Murray separately.

Q. Separately?—A. Yes.

By Mr. Graydon:

Q. It seems to me from your evidence and the evidence of Mr. Morin that the finance committee of the board of governors actually has a much heavier load of detail on its shoulders than it normally would be expected to have having regard to the provisions of the Canadian Broadcasting Act. I can understand why that would be because to a large extent you are actually performing the functions of a general managership of the C.B.C., which I think is building up a system which some day will break down and perhaps cause a chaotic condition so far as the corporation is concerned. What you really should have, I submit, and I would like to have your comments on this because you are a man of very high standing in the business world of Canada and no doubt you have these problems coming up in your own private business, and your comments are worth a good deal to this committee—but there should be actually some boss of the C.B.C.; in other words, there should be someone to whom the board of governors or the finance committee can actually call in one head, not two heads, but one head, that they could call in and say here is our policy it is your job to carry out the mechanics of that policy and you are the man to report to us; instead of that you have now the finance committee meeting and attempting as I see it to carry out many of the functions which normally should be carried out by the head manager of the C.B.C. You are having Dr. Frigon called in in respect to construction affairs, station operation and so on; and then you are also calling in Dr. Frigon for information in his capacity as comptroller of finance; and then you bring in Major Murray in respect to programs; and the result is, whether you realize it or not, the finance committee is itself becoming the head of the actual management of the C.B.C. as I take it from the evidence that has been adduced. Now, I am going to put this question to you, having premised it by what I have said, would it not be better to have one man at the head of operations of the C.B.C.—whether it be economics, or programs, or finance, or whatever it may be—below this board of governors? In other words, a concentrated authority in one particular person who is responsible to the board of governors and the finance committee?—A. Mr. Graydon, I do not think it would function that way. If you did that you would have to get perhaps a new general manager and an assistant general manager. As it is functioning to-day it is functioning well for similar corporations. We have a general manager who devotes his time to one end of the business. We have an assistant general manager giving us technical knowledge and knowledge perhaps of finance, he has control of another department; and the two operate as a sort of unit of management. If you put we will say a higher official over them there would be no need of either a finance committee or a board of governors because they would be in the position of managing the business themselves. All we would have to do would be to go and say, yes, that is it, you have done it, and that is the end of it. My opinion of the government of the C.B.C. is that there has been no objection at all to the plan that we have to-day. It is working. We have a treasurer who is watching finance. If the board of governors become more active, as I hope they will, and this executive committee functions we will want it to meet more regularly, and if it does I believe that we will have solved some problems of management. Your plan would be to create, we will say, a president of a company—

Q. I am asking your opinion on it, because we value it.—A. That is my opinion; that in radio broadcasting it would be very difficult to find a man who knows as much about radio itself as does Major Murray from the program and operational side, and Dr. Frigon from the standpoint of construction, finance and things of that kind; if you were to appoint a super-man over them you would reach an impasse and you would not get very far.

The CHAIRMAN: Your great difficulty would be to find one man who had as much knowledge as they both have.

The WITNESS: Yes. And let me assure you that men of that type are very rare indeed. We would have to pay somebody perhaps \$50,000 a year to take on a job like that.

By Mr. Coldwell:

Q. Mr. Claxton the other morning asked some question about Mr. McCullagh's broadcast. It has been suggested from time to time that Mr. McCullagh was put on as a sort of an appeasement policy. Do you know at whose suggestion Mr. McCullagh was put on? Were you present at the conference which was held before that happened?—A. That was not an appeasement. It would not be to settle anything with Mr. McCullagh that he was put on. No. I think the selection was made by the management for particular reasons which they thought best. It was not a matter in which the board of governors were concerned nor was it ever brought to the attention of the board of governors, nor was it their function. I know of no reason why he should have been put on except for whatever ability he may have had for radio broadcasting.

By Mr. Ross:

Q. The other day when we were examining Major Murray the question came up about the establishment of weekly program journals after the type of the *Listener*. His evidence indicated that he thought it would be a very good thing to do and I am of the same opinion myself and he said that the only question about it was one of finance.—A. I have opposed it.

Q. And the question of prospective profits; thinking it not a prospective profitable project you say you are opposed to it?—A. I am opposed to it for that reason. I disagree with the proposal particularly because of the views of the management as to the financing which it would take to get it started. I do not think we should start another commercial venture because it would require advertising to sustain it. We might require to invest a hundred thousand dollars or more—I am speaking of a national publication—and we didn't have \$100,000 available at this time to put into an experiment of that kind. I think that if we had the money we should start a listener or a magazine; but it should be all our own expenditure without advertising.

Q. Without advertising?—A. Yes.

Mr. Ross: And that would make it rather expensive.

Mr. COLDWELL: The *Listener* itself actually carries some advertising, does it not?

The WITNESS: It does; but the B.B.C. does not actually advertise on the radio. As you know, we use part of the time on our radio for advertising. But with me, it is a question as to whether we should get into any development of our business in competition with whatever particular papers or publications there may be in Canada.

By Mr. Coldwell:

Q. Would it be competition? Major Murray's evidence the other morning showed—and I think this can be substantiated—that he intended to develop something very similar in nature to the *Listener* in Great Britain, and that did not have any adverse effect on radio magazines over there; as a matter of fact, I believe they increased their circulation because of it. Would not that seem to indicate that the point you raised should receive a little more consideration here?—A. It does, but to start it here we would have to take a substantial amount of cash out of the corporation; and I do not know where we would get that to-day, and I do not know whether or not it would be successful.

Q. The experience of the *Listener* would indicate that it would be?—

A. Look at the circulation of the *Listener* in comparison with the potential circulation in Canada. I object to it completely on the ground of capital expenditure. I feel that we need the money for high-powered stations, for coverage, for things that are far more essential at the moment than a magazine.

Q. At the present time you are producing reprints of broadcasts that are considered valuable?—A. Yes.

Q. And I know that listeners to corporation broadcasts realize that there are often broadcasts that are well worth publication and they are not published because only a very few can be published. The corporation is spending some money on publications now?—A. Yes.

Q. Is it losing on that?—A. I do not know the details of it, perhaps we are, but that is really building good will. I am not objecting to the publications, I am only mentioning that I do not think that during this war time is the time to start a new publication without knowing what the future has in store. Major Murray may be right in the stand he takes but I look at it directly from the standpoint of the finances of the corporation. I do not want to take a great sum of money out at this time without knowing whether or not we are going to get it back.

Q. I think there are a great number of people in Canada at the present time who would be willing to subscribe to a magazine of this nature.—A. I think we will create one; but I still say that I do not believe that this is the proper time to undertake an investment of that sort.

Q. It might be worth looking into in the future.

By the Chairman:

Q. You do not see revenue enough from it at the present time to make it profitable?—A. No, I cannot; it would take time and it would have to be built up gradually.

By Mr. Ross:

Q. With respect to the commercial advertising on the C.B.C.; as the war goes on, and so on, what is your forecast with respect to returns which you are likely to receive from that source?—A. It is my opinion that perhaps we will continue to carry on about the same as we are doing during the coming fall and winter, but I think we will start perhaps losing advertising in the normal course after that, if conditions remain as they are.

Q. Yes?—A. You see, it is so important to this committee to know that if we go down and lose the commercial revenue we have nothing to replace it. We cannot like corporations go to the banks and borrow money. We have to live within our means. We have heavy statutory and regular commitments which we can't avoid. The program part of it is the only variable feature we have, our engineering, maintenance and things of that sort are all fixed, and programs are the only controllable expenditure we have. And now, the whole corporation is made up around programs, and I have never felt that we have spent enough on programs. It has been limited by the amount of our revenue.

By the Chairman:

Q. Do you see any ways of increasing your revenue from commercial advertising?—A. No, I think we have about reached our limit.

Q. Or from private stations?—A. We have reached pretty well the saturation point in advertising. We must use a great deal of our time for other national programs and independent programs. We must realize of course, that in our commercial advertising we do receive a great number of good programs and we get paid for giving them.

By Mr. Coldwell:

Q. What kind of advertising programs do you classify as good programs?—

A. Oh well, Jack Benny, and Charlie McCarthy and programs of that kind; we may not all like them but I think the public generally do.

Mr. COLDWELL: I think they are rather good. But I do object to some of these soap programs.

The CHAIRMAN: Are there any further questions anyone wants to ask Mr. Nathanson, because we do not want to have to bring him back here again?

By Mr. Tripp:

Q. I just wonder if the witness would tell me whether my conclusions are correct or not: he stated they had tried to build up new business and things were coming along very satisfactorily; changing the organization from time to time to meet certain conditions, that everything was going well and that there was harmony in the organization; and then it was impaired somewhat and certain things got out or were supposed to have got out, and certain misunderstandings took place, and considerable discussion about the word "manage" and so forth; in spite of that you consider the C.B.C. is still performing a service and making progress, is that correct?—A. I do.

Q. Could you suggest to the committee any ways in which the situation might be improved?—A. I do not know just what recommendations that I would have to make. I mean, we are functioning as well as possible under existing financial revenue. The executive committee might be an improvement. Suggestions from this committee, whether they think so or otherwise, might be advisable. Perhaps a suggestion as to meetings of the board more often, with any further recommendations they may have. In connection with any suggestions as to the improvement of programs I may say that members of this committee might listen to what we are trying to do; we don't always guess right but we improve our standard in co-operation with the management and any suggestions as to how they could be further improved would be gratefully received. We have problems to meet, various ones as I see them; the question of further improvements, the question of development, how we are going to provide for these remains to be seen—we are not going to do any of these developments now, but if you visited our plants—and I would certainly recommend to this committee that they make arrangements if possible for visiting the plants and stations of the C.B.C.; I think it would be a splendid thing to realize what we are working with in Toronto and Montreal, how inadequate our facilities are, and how we are able to give the service we do in the space that we have, I don't understand. If you took the time to go around with perhaps our manager with you you would get a clearer conception of what the C.B.C. aims at, what it is trying to do, and something of its problems. I think that is one suggestion; even if it was only a small committee of this committee that would visit our plants, and they would be able to report back and know at first hand what the C.B.C. really is accomplishing.

By the Chairman:

Q. Have you any suggestions to make to the government with reference to any matters by ways which this committee should act as a medium between the administration and the government?—A. Well, if it was a standing committee I would think that close cooperation between that committee and the board of governors would be a splendid thing. We would come to you from time to time if we had serious problems. We would have contacts which would be very important. If we could report to you instead of such long intervals as in the past, at very short intervals.

By Mr. Hanson:

Q. I was going to ask you if you approved of the idea that a parliamentary committee should be set up every year instead of the way we have done in the past; what is your opinion as to that?—A. That is a matter for the government really. I certainly do not object to parliamentary committees sitting. I think they are a very fine thing. This committee has cleared up a good many points, has made a lot of necessary information public and I believe has been a real help to the C.B.C.

The CHAIRMAN: All right, thank you, Mr. Nathanson, we are obliged to you for attending.

It was understood that our committee would not sit to-morrow, Wednesday. We will sit Thursday morning at 11 o'clock and our witness at that time will be Mr. Bushnell, Supervisor of Programs, and at the same time Major Murray has one or two little points arising out of the evidence with respect to which he wants to make certain statements.

The committee adjourned at 1 o'clock to meet again Thursday, July 2, 1942, at 11 o'clock a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 16

THURSDAY, JULY 2, 1942

FRIDAY, JULY 3, 1942

WITNESSES:

Mr. E. L. Bushnell, General Supervisor of Programs.
Major G. Murray, General Manager.
Dr. A. Frigon, Assistant General Manager.

OTTAWA
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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

THURSDAY, July 2, 1942.

The Special Committee on Radio Broadcasting met at 11 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton-East*), Messrs. Coldwell, Graydon, Hanson (*Skeena*), Isnor, Hansell, Laflamme, McCann, Ross (*St-Paul*), Telford, Tripp and Veniot. 12.

In attendance:

From the C.B.C.: Messrs. Murray, Frigon, Manson, Bramah, Brodie, Radford, Miss Belcourt and Mr. G. R. Young, Maritimes Regional Representative.

The Chairman read a communication from the Controller of Radio, Mr. W. A. Rush, dated June 30, forwarding the following information requested by the Committee:—

A. Tabulation by provinces of Private Receiving Station and Special Private Receiving Station Licence issues and revenue for the years 1938 to 1942.

B. Tabulation by provinces of towns checked for prosecutions, number of cases, etc., for the years 1936 to 1942 inclusive.

Ordered: That both tabulations be printed in this day's proceedings. (See Appendices A and B).

Mr. E. L. Bushnell, General Supervisor of Programs, was called and examined.

He read a prepared statement and quoted extracts of letters of appreciation respecting programs.

Witness retired.

A brief discussion took place respecting the witnesses yet to be heard before the Committee.

It was agreed that the Agenda Committee would meet Friday, immediately after the sitting of the Committee.

The Committee adjourned until Friday, July 3, at 11 o'clock, in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

FRIDAY, July 3, 1942.

The Special Committee on Radio Broadcasting met at 11 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton-East*), Messrs. Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemont*), Graydon, Hanson (*Skeena*), Isnor, Hansell, Laflamme, McCann, Rennie, Ross (*St-Paul*), Slaght, Telford, Thorson, Tripp and Veniot—18.

In attendance:

From the C.B.C.: Messrs. Manson, Brodie, Bramah, Radford and Miss Belcourt.

The Committee resumed from Thursday, July 2, the examination of Mr. Bushnell, General Supervisor of Programs.

Mr. Graydon voiced the appreciation of the Committee to the witness on his evidence and he retired.

Mr. Gladstone Murray was recalled.

The witness made further observations relating to Messrs. Lambert, Moseley and Farrell. In this connection he filed two extracts of *Who's Who* and a newspaper article, all of which were ordered printed in this day's evidence. (*See Appendices A, B and C*).

He also tabled the following:—

1. A proposed broadcast by Sydney Moleley of June, 1940.
2. A statement of important C.B.C. talks, being a comparison between September 1st to December 31st, 1939, and the corresponding period of 1940.

Major Murray retired.

Dr. Augustin Frigon was recalled and further interrogated on the building of a high-powered system in Canada.

A discussion followed.

On motion of Mr. Graydon, seconded by Mr. Hansell,—

Resolved,—That the Committee, in view of the evidence adduced before it, submit forthwith to Parliament an interim report pointing to the extreme urgency of the establishment by the Government of a high-powered broadcasting centre in Canada.

On motion of Mr. Claxton,—

Resolved,—That the above-mentioned report be drawn by the Agenda Committee, and submitted at the next meeting, Tuesday, July 7.

The Committee adjourned until Tuesday, July 7, at 10.30 a.m., in Room 429.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

July 2, 1942.

The Special Committee on Radio Broadcasting met this day at 11 a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. Mrs. Casselman and gentlemen, we have a quorum, and we shall proceed with the business of the meeting. I have here a communication from Mr. Walter A. Rush, Controller of Radio, in which he states he is sending the following information:—

1. Tabulation by provinces of private receiving station and special private receiving station licence issues and revenues for the fiscal years 1938-39 to 1941-42.
2. Tabulation by provinces of towns checked for prosecutions, number of cases, fines, etc., for the fiscal years 1936-37 to 1941-42 inclusive.

If it is the wish of the committee, we shall have those tabulations incorporated in the next printing of the proceedings.

Some Hon. MEMBERS: Agreed.

(See appendixes A and B to this day's evidence.)

The CHAIRMAN: We have with us this morning Mr. Bushnell, general Supervisor of Programs. We invite Mr. Bushnell to give a statement with reference to his work and his particular functions. Then after he has submitted that, we can proceed with any questioning.

Mr. E. L. BUSHNELL, General Supervisor of Programs, Canadian Broadcasting Corporation called:

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, the statement that I shall give is not long, and for purposes of brevity I have written out just a few notes which I should like to read to you now.

In the statement given by the general manager and the supporting charts provided by the assistant general manager you may already have a fairly clear indication of the structural development and operation of the program division. However, a few words by way of explanation might not come amiss.

The National Program Office, located at 55 York street, Toronto, is in the main the co-ordinating centre of the regional offices. It was not intended to be, nor indeed, does it function in any extensive sense as, a creative body. Supervisors of the various divisions of the program department are located there and for the most part their work comprises the initiation, correlation and subsequent supervision of program projects.

Operating the national network is not the easiest of tasks, particularly in the light of the time factor and varying local and regional interests. It is the job of these supervisors, under my general direction, to keep in constant touch with their respective branches located in the five regional production centres.

I should like to make it clear that the national program office does not engage talent. This is the responsibility of the regional representatives and their officers. I might add that regional representatives also function as regional program directors. Reports are received from them regularly. Indeed there is

a steady flow of correspondence between them and the various supervisors which, except in matters of details, is canalized through my office. Semi-annual program conferences are called and plans are laid for the two main seasons of the year—summer and winter. The regional representatives then return each to his own region to put into practice the decisions reached at the conference.

I do not mean to suggest that the planning of programs is left entirely in the hands of the regional officers, but I think it is much sounder practice—and I hope you will agree—to have program ideas flow in from all parts of the country rather than to be centred in one group in Toronto. War programs for the most part are usually initiated by members of the staff of the national program office. I think it is safe to say that at least fifty per cent of the time of these supervisors has been taken up with programs directly related to the war. For example, Mr. George Taggart, assistant general program supervisor, has devoted almost his entire time for the last year and a half to the production of programs sponsored by the various government departments. This has thrown an added burden on other members of the staff, particularly on the shoulders of Mr. Charles Jennings, whose voice is well known to you, I am sure. He was on our national news bulletin for many years, and he is now supervisor of program planning. In this connection, although I do not want to emphasize the work of one more than another, I should like to mention that Mr. T. O. Wiklund was seconded to the Department of Munitions and Supply for a period of four months to supervise the production of their series "Voices of Victory".

While I do not wish to suggest that the work of the program division has been either sufficient or perfect, I should like to pay tribute to the loyalty which the program staff has shown to duty in this time of crisis. It might also be of interest to you to note that our ranks, as in all other occupations, are being gradually thinned and heavier burdens not only of responsibility, but of actual operation, must necessarily fall on the shoulders of the older and more experienced of our broadcasters. I do not believe that broadcasting has yet been recognized in this country as an essential wartime service. In my opinion, although I may be biased, this is a grave error. It will be virtually impossible to carry on a national broadcasting service in any sense comparable to what has been done in the past if our ranks are going to be depleted by enlistment in the armed services, in many cases solely for administrative work. I offer no objection to any C.B.C. employee enlisting for combatant service, but I can see no point in his joining the armed force to don a uniform, move across the street and do a job which might very well be carried on by others who have not had specialized training. While I do not wish to leave the impression that I am placing a halo around the heads of broadcasters, I think it must be recognized that it is a profession which requires many years of training. If in the future we have to depend largely on the efforts of raw recruits, then there can be no doubt in my mind that the broadcasting service will suffer.

As I said before, I do not wish to make any long or exhaustive statement. For the most part, the work of the program division has been covered adequately by the general manager to whom I am directly responsible. We are in constant communication one with the other by teletype and telephone. My visits to Ottawa are frequent, as are his to Toronto. I might add that in my opinion it is somewhat unfortunate that neither of us can find as much time as is necessary to visit the regional offices. However, visits by the various supervisors are reasonably frequent. Our chief news editor visits all points of news origination at least twice a year. Our supervisor of farm broadcasts also makes it a practice to inspect the regional offices semi-annually. The supervisor of drama, Mr. Lucas, has tried to visit regional production centres at least once a year.

I should like to add my support to the need of a C.B.C. publication in one form or another. The weekly schedule of programs is distributed fairly widely but is not sufficiently comprehensive to give the recipients more than a sketchy idea of what the C.B.C. is doing. I feel that greater publicity for C.B.C. programs is essential. There is no lack of good program material in this country and much of it is used by the C.B.C. as frequently as funds permit. The fact remains that until these good artists are built up in the eyes of the public they are regarded by many as only Canadian artists. Adequate publicity would certainly help to correct this situation.

I should also like to point out the need of more frequent and reliable surveys. The program staff of the C.B.C. is not infallible; neither are we trying to give to the public what we think the public should have. We recognize that we are the servants of the public and within limits of good taste we are quite prepared to give to listeners an evenly balanced cross-section of what we believe our vast audience likes to hear. Letters of comment are carefully analysed and objections or criticisms noted. Such criticisms are passed on to the point at which the program originated and if it is felt that the comment is a valid one, the regional representative is asked to take note of it. We also have in western Canada, Mrs. Elizabeth Morrison, a part-time professional critic, whose reports are extremely useful. I brought with me a few of the comments which have been made by Mrs. Morrison in the past several weeks. To me they are extremely interesting. Possibly they may not hold the same interest for you, but I think they are worth while reading to you. In connection with a program called "Doing Without in Wartime" in our women's series, Mrs. Morrison had this comment to make:—

This speaker has an easy manner and pleasant voice. She put the situation excellently. Stressed sound Christian philosophy in a sincere, quiet style. Duty to neighbours out of one's own inner strength. Many women who have already "endured" in this war could give just such needed help. This woman's talk was worth many prosy dissertations from the parsons.

Then on "Rubber Salvage" she had this to say:—

Good show. Somehow the music did not seem right. Can't tell why nor can I say what music goes with rubber. Somehow it did not fit the script.

Then there is another comment about The Police Bulletins: "The police bulletins are pronounced with terrible deliberation by one of the strangest voices on this or any network." As an illustration of what is done with this, when such comments reach our office, I should like to quote from a letter written by Mr. Jennings, supervisor of program planning, to our regional representative in Winnipeg. He says:—

In her latest program comments, Mrs. Morrison included the following statement:

The police bulletins are pronounced with terrible deliberation by one of the strangest voices on this or any network.

I take it this is the R.C.M.P. announcer from Regina and would also appreciate your comments on this remark. Our regional representative replied:

So far as the R.C.M.P. bulletins are concerned, you are correct in your assumption that the voice referred to is that of the R.C.M.P. announcer. As a radio announcer the Old Sergeant would be terrible; however, as a purveyor of police bulletins I think he is priceless. His voice is clear and sepulchral and I have no doubt he cuts through the most grim form of static on the very outer fringe of CBK's signal area. There is nothing else quite like him on the air. However, I would make no

suggestion that he be taken off. Actually there has been no serious criticism of him, but a number of cracks have been passed which I think, have, if anything, done much to popularize the bulletins.

Then Mrs. Morrison has this to say about a Prairie Schools Broadcast which was called "Highways to Adventure" and I believe originated, if memory serves me well, in British Columbia:—

Did a bit of "The Lady of the Lake." This was good and would undoubtedly be an incentive to further reading. Are the stories all in the course of study? Just at the moment I feel those tales of other days in Scotland are remote. Could an occasional broadcast be directed towards an understanding of our grievous mistakes that have been our undoing? There are many good romances written of this war. The chivalry that was romantic in my generation is not strong enough food for our high school youngsters of to-day. Great literature—yes—but lawlessness is made so attractive. The children of 1942 will have to face lives of rigid self-discipline if they would conquer in this fight—and I'm afraid they'll all have to take a hand, if not in actual combat, in the more soul-destroying reconstruction period that broke the hearts of the people who fought from 1914 to 1918.

I gave you those comments just to indicate to you that we have people in the field who are constantly sending us serious and considered criticisms. It is not just a question of saying this program was bad or this program was good. They gave us an analysis of the program and offer constructive criticism.

By Mr. Coldwell:

Q. Where does Mrs. Morrison live? A. Mrs. Morrison lives in Saskatoon.

By the Chairman:

Q. Is she a full-time employee of the C.B.C.? A. No, she is not. As a matter of fact, she is a very well-qualified musician in western Canada. She conducts many choirs, and has been an adjudicator at many festivals. I should say that she spends a goodly portion of her time at her radio, particularly in the evening hours. Unfortunately we do not get criticisms from her on Thursday nights of our Thursday night programs, because I believe it is the common custom to hold choir practice on Thursday nights in western Canada. In my days in eastern Canada they used to hold them on Friday nights. But other than that, I think it is safe to say that Mrs. Morrison gave us a detailed criticism of at least 50 per cent of the programs scheduled during any given week.

In spite of such criticism, however, I still feel that this does not meet the need and I am recommending that periodically the C.B.C. should engage the services of professional opinion-testing organizations to provide the answers to questions that are constantly arising. In other words, what we want is various "yardsticks".

Naturally it is a pleasure for me to report that as well as criticism the C.B.C. received a tremendous volume of favourable comment from listeners of all kinds. I think our statistical reports indicate that in the last year we had something like 42,000 letters received from individuals, not only in Canada but in the United States. Now, that in itself is a fair volume of mail to handle. It is not just taken and thrown into the waste basket. It is carefully analysed; and from that we get a fair reaction, at least we think it is a fair reaction of what the public thinks of our programs.

By Mr. Hansell:

Q. Do you acknowledge all communications?—A. For the most part, yes. A great deal of it as a matter of fact are requests for copies of this or that, copies

of talks or information about broadcasts which they have heard; and if we had a publication a great deal of that material would be contained in it and we would be able to reply that if the person who requested certain information would refer to the publication the information would be available.

By the Chairman:

Q. Have you ever instituted anything in the type of comparative criticism; I mean by that, offered some fee or prize to any person who would submit some type of criticism that would have the view of improving programs?—A. I don't believe we have, Mr. Chairman.

Q. Do you think it would be worth considering?—A. Yes, I think it would; I can't see why we haven't done it.

Mr. TRIPP: I think it would be all right, provided you put the word "constructive" criticism in.

The CHAIRMAN: That is, competitive, with a view to making suggestions that will give some improvement; then it might be worth while. That is just my own thought on the matter.

The WITNESS: Now, I don't intend to read all of the thousands of letters of appreciation we have received from individuals but for the sole purpose of indicating to you the diversity of the work of the C.B.C. I think it might be interesting for you to hear extracts from letters which have been received from various organizations during the past year.

Now, don't be alarmed, I am not going to read all these (displaying a sheaf of letters), but I can say that this is possibly less than 10 per cent of the letters of appreciation that we have received from charitable organizations and groups of that kind.

By Mrs. Casselman:

Q. In addition to those, special broadcasters would get their own mail?—A. Yes, indeed.

Q. These are the ones that have come to the Broadcasting Corporation direct?—A. Yes, and these are only from organizations, not individuals. This first one was addressed:—

Major Gladstone Murray,
General Manager,
Canadian Broadcasting Corporation,
Ottawa.

Dear Major Murray:

At a meeting of the County Directors of the United Farmers of Ontario, held during their annual convention last week, they passed a resolution unanimously expressing appreciation to the Canadian Broadcasting Corporation for its co-operation and its important contribution to farm thought through its national Farm Radio Forum series.

They expressed the opinion that this is an excellent educational feature for rural people, and that the programs are such as to interpret the agricultural situation both to farm and urban people in a manner that is extraordinarily accurate and fair. They believe, too, that this series is definitely in the interest of Canada and of the Empire's war effort.

This was signed, H. H. Hannam, Secretary, The United Farmers of Ontario.

The next one is from Mr. W. E. Haskins, Secretary, Canadian Federation of Agriculture; it is dated from the Booth Building at Ottawa, March 13, 1942, and it says:—

Gladstone Murray, Esq.,
General Manager,
Canadian Broadcasting Corporation,
140 Wellington Street,
Ottawa.

Dear Mr. Murray:

At our convention in Ottawa a resolution was passed expressing to your corporation the federation's appreciation of the Farm Radio Forum as being a valuable method of stimulating a practical interest in agricultural problems, and bringing farmers together for the discussion and a better understanding of their real interests.

By Mr. Tripp:

Q. Are the independent broadcasters required to carry these farm programs?
—A. Not all of them.

Q. Is it because the particular district they serve has no interest in farming?—A. Not necessarily. Our basic network stations, if these programs are arranged in contract time—what we call contract time, the basic network stations are obliged to carry them; the other stations are not obliged. I think our major programs, such as Farm Radio Forum, are carried over anywhere from 30 to 40 stations giving very good distribution.

Q. Will that cover the whole of the dominion?—A. I think it would be reasonably well covered, within those areas in which agriculture is of some special interest.

Q. Because I think programs of that type should be made available to all districts in Canada?—A. They are made available.

Q. Because they give very good service?—A. Yes. They are made available, but it may well be that the privately owned station, let us say at the noon hour, has some other contract, some local commitment, and is unable to carry the program for that reason. Of course, on the other hand, the C.B.C. stations fairly well blanket a great many of the privately owned stations. For example, in western Canada, it is no great concern whether, shall I say, station CKCK in Regina, carries the farm broadcasts or not, because CBK does; and, as I say, we are getting reasonably good distribution. We are not unduly alarmed.

By Mrs. Casselman:

Q. How far out can the Alberta station be heard?—A. That is an answer I think which could be better given by Dr. Frigon; I am not a technician.

Q. I know the station of the C.B.C. reaches a lot of country that other stations do not?—A. That is correct, and they carry a great many of our institutional and educational programs. Now, I have another letter here—I don't want to labour the point—another letter here from the Central Committee of Community Chests and Councils:—

Major Gladstone Murray,
General Manager, C.B.C.,
Ottawa.

Dear Major Murray:

Sunday night concluded the series of broadcasts arranged under the Canadian Broadcasting Corporation, and in which you took such a responsible interest.

On behalf of the Community Chests and services represented through our committee, I want to convey to you, to Mr. Bushnell and to Mr. Lucas, our very deep appreciation of the unusually fine service and support given in these arrangements this year. Mr. Bushnell proved personally interested in what we were trying to do, and could not have assigned a better person than Mr. Lucas to line up the program for us. Mr. Lucas took a most unusual interest at once and grasped in an amazing way the difficulties of interpretation of the finer points in our welfare services. His suggestions ran far ahead of the best in our welfare services. His suggestions ran far ahead of the best hopes of our agencies, and the measure of personal interest which he brought to the development of the programs was beyond any purchase.

From different parts of Canada, and a very wide range of people, we have had the most gratifying expressions of the way in which the Canadian Broadcasting Corporation handled these subjects. One small western city wrote in last week to say that within a few minutes of the Sunday evening broadcast of October the fifth, they had five or six calls of support.

Yours sincerely,

J. M. Macdonnell, Chairman,
Central Committee of Community Chests and Councils.

I quote such a letter as that to indicate to you that radio can do—and I think you will agree with me—a practical job of selling. I would also like to point out that any programs presented over the C.B.C. network in aid of such organizations as this are paid for out of the funds of the C.B.C.; there is no charge made in any way, shape or form for the service that is rendered by the C.B.C. in that connection.

By Mr. Coldwell:

Q. They are sometimes placed by agencies, I notice?—A. Not that one. And then I could go on: here is a letter from Mr. Simard of Sorel Industries; and another one from the Canadian Corps Association; and here is one from the Federated Women's Institutes of Canada:—

Fredericton, N.B., June 20, 1941.

Canadian Broadcasting Corporation,
Toronto, Canada.

Please accept the thanks of the Federated Women's Institutes of Canada for your generosity in arranging for the broadcast in connection with our recent biennial convention held in this city.

Your very truly,

Mrs. B. F. Gummow,
Cor. Secretary.

And I have another one here from the chairman of the Canadian War Services Fund. I think I have given you enough to indicate that the service performed by the corporation is appreciated by such bodies as those I have named.

By Mr. Graydon:

Q. Do you ever have any critical letters at all?—A. Lots of them, but they mostly come from individuals and I have neither read letters of criticism nor appreciation from individuals.

By Mr. Hansell:

Q. What method have you of appraising the value of criticisms; for instance, I will give you a fictitious illustration, supposing there is a series of farm broadcasts given and you receive quite a few criticisms from farmers, and you also receive a number of criticisms from we will say the pool elevators, the grain exchange, or the meat-packers, and you begin to appraise the value of those criticisms; now, how would you go about that? Of course, you can detect what I have in my question?—A. Surely.

Q. Would you consider criticism from a corporation that has an opposing interest to be fair criticism?—A. Not for a moment.

Mr. COLDWELL: Do you mean to imply that the pool elevators would have opposing interests to the farmers?

Mr. HANSELL: No, I took a fictitious illustration; of course, the pool elevators criticism would most likely be very constructive and they would be favourable to the broadcasts while perhaps opposing organizations might not.

Mr. COLDWELL: You included them and Canada Packers in the same connection and I do not think you meant that, as a matter of fact.

Mr. HANSELL: I wanted to get a well rounded picture.

The WITNESS: There is a lot of criticism coming in and we take all this criticism into consideration and then we try to use common sense.

Mr. TRIPP: Definitely, good sound horse-sense.

The WITNESS: Yes.

By Mr. Hansell:

Q. Do you keep a record of the criticism, more particularly criticism of that kind?—A. Yes, indeed, we do.

Q. I can see where it is quite a job to arrive at a proper conclusion in some cases. You may have criticisms on a type of broadcast while other criticisms may be on within the broadcasts?—A. Indeed.

Q. You would have to use a good deal of common sense to appraise one, to evaluate it, and it might be a lot different with one than it would be with another?—A. Well, we take into consideration in some cases the tone of the letter. A great many of our letters of criticism are constructive; and then we get a different type of letter that just flays us, nothing that we do is good.

By the Chairman:

Q. What is your percentage of crackpots?—A. They are relatively small.

Mr. HANSELL: How would you evaluate them as crackpots?

The CHAIRMAN: All you have got to do is read them.

The WITNESS: I should imagine as members of parliament that you would know how to deal with letters of that type.

Mr. COLDWELL: We get them.

The WITNESS: Certainly we do.

Mr. GRAYDON: Of course, it depends on your supporters.

Mr. COLDWELL: Thank you, Mr. Graydon.

The WITNESS: Well, we are not placed in that unhappy position.

Mrs. CASSELMAN: Do you mean to say that you hear only from supporters?

Mr. GRAYDON: I did not make any comment at all.

The WITNESS: There is just one thing that you can be sure of in this broadcasting business—

By Mr. Ross:

Q. On several occasions I have had people talk to me about cutting off speeches. Now, just yesterday a man was talking to me about the debate in the House of Commons or rather the report on the debate—I did not myself hear the report on the debate in the House of Commons in England—in connection with the situation in Libya, and it went along very interestingly to a point where it was getting very interesting and all of a sudden it was cut off, and he got some in sequences which came on afterwards. That is one; another one was when they had that big broadcast from the arena gardens in Toronto and Dorothy Thompson was I suppose pretty well finished but she was cut right off; well, then, another one I remember is Mr. Brockington when he was speaking before the Bar Association in Philadelphia, and that was cut off. I suppose you have to keep to your programs but I was wondering; there is a tremendous amount of criticism by people over that sort of thing, is there any way of overcoming it; would you comment on that?—A. I don't think there is, Let me review those three instances. If Mr. Brockington when he was speaking before the Philadelphia Bar Association was cut off the cut-off was done by the National Broadcasting Company.

Q. Yes.—A. In the case of the Dorothy Thompson broadcast, I personally warned the committee beforehand that the broadcast must end at 10 o'clock. They were given one hour of time on a national network—a special network set up at considerable cost to the C.B.C., and we went out of our way in giving due recognition to the importance of the occasion and the speakers. We also went out of our way to arrange an alternative network of considerable proportions, and the chairman of the committee was told very definitely that our broadcasting must start on time and must end on time. Now, if some speakers—and we have had occasions when people of not very great importance have consumed a lot of radio time—I am not suggesting that that happened in the case of the Dorothy Thompson broadcast—but if they do take the time of the main speaker that is no fault of the C.B.C. I do not think the C.B.C. should be criticized for cutting off the broadcast; we must adhere to a rigid time schedule. We have no choice. The fact remains that where you have anywhere from 20 to 30 stations lined up in a network, and several of those stations have other commitments, if we allowed a run over what you would hear would be one station cutting off let us say in Regina and another station cutting off in Moose Jaw and a station in Toronto might cut off and then a station in the maritimes might cut off; so we simply take the “bull by the horns” and cut it off ourselves. But it is made very clear beforehand that a certain amount of time only can be allocated for such a broadcast.

Mr. GRAYDON: It is very unfortunate, Mr. Bushnell, that these people are cut off, for whatever the reason may be. I can understand your situation as far as the C.B.C. is concerned. I know that I was listening to Dorothy Thompson myself that last broadcast and I was very disappointed when she was cut off as she was. I think anyone with experience of mass meetings and so on realizes what the difficulties are in that regard, because people never allocate their time in accordance with importance. I will say this, that the introduction of Mr. Brockington on that occasion was one of the finest I have listened to.

The WITNESS: I can endorse that very fully.

The CHAIRMAN: Some of the preceding speakers I think, particularly a Labour man—I do not know what his name is—took more time than he should have.

Mr. GRAYDON: That was Mr. Buckley.

The CHAIRMAN: I know he was very long drawn out.

Mr. GRAYDON: I only tuned in as Mr. Brockington went on.

The WITNESS: I do not know who was the culprit.

Mr. Ross: I just brought it up so that the reason might be publicized, if possible, so that people will understand just the difficulties that you are under. Then there was the other one yesterday—I don't know what it was.

The WITNESS: I don't either.

Mr. Ross: I don't even know the time.

Mr. COLDWELL: I think I heard it.

The WITNESS: Did it come over the B.B.C.?

Mr. Ross: It was about 10 minutes to 7, during the news broadcast and then there was the review with respect to Libya from 10 minutes to 7 to 7 o'clock and I think that was cut off in Great Britain at 7 o'clock.

The WITNESS: If it was at the end of the broadcast I would expect that it would be cut off at 7 o'clock.

Mr. Ross: Another speaker usually follows at 7 o'clock, and I suppose that is what you get in over your short wave?

The WITNESS: Yes, that is right.

Mr. Ross: I think that is right. I think it was 7 o'clock.

The WITNESS: Possibly 6.55 to 7 o'clock.

Mr. Ross: About then, it was a long commentary. I think that at these meetings they should allow themselves a little leeway, and of course it is not really the fault of the C.B.C. that these things have to be cut off because you have your commitments of one kind or another.

The WITNESS: It is always very easy to fill in if there is a gap.

Mr. GRAYDON: Should you not make that a little more clear to the listener, that you have these arrangements and these times with respect to meetings; so that your responsibility would not be quite so heavy because I can assure you, Mr. Bushnell, that what the listening public really thinks when they are cut off is that they are cut off by the C.B.C., and I do not think that is good for the C.B.C. because it is not their intention at all.

Mr. Ross: Could not you arrange to say something like this: unfortunately, in view of other commitments, we have unfortunately to cut this speech off?

Mr. COLDWELL: I was going to say that there was only one occasion on which I thought a speaker was unnecessarily cut off and that was when Lord Beaverbrook was in the United States and was dealing with Russia in his broadcast and at midnight precisely he was cut off and God Save the King was played.

The WITNESS: That is the strict practice with the American networks. As a matter of fact, I do not think that I have ever heard President Roosevelt running over his time, because public speakers in the United States have been told sufficiently often that they have a certain number of minutes on the air and they observe it completely.

Mr. COLDWELL: Very often an agency arranges the program and they say you are to take such and such a time, and very often they cut that down to just two or three minutes and you are told you must stop. It is usually the fault of the people who arrange the program.

The WITNESS: May I continue with this?

The CHAIRMAN: Yes.

The WITNESS: Now a word about the manner in which our finances are handled in the program division might be of interest. Immediately prior to the beginning of the new fiscal period the finance committee and the management decide as to how much money the program division can be allocated for the ensuing year. This is broken down into two parts:—

- (a) What we call the artist fee budget and,
- (b) The administrative budget, which of course includes salaries and fixed charges.

This sum is again broken down by regions and the regional representatives are advised as to what their appropriations will be for the coming twelve months. A fairly substantial contingency and reserve fund is set up out of the total amount of the budget and this is controlled entirely by myself or someone whom I may depute to be responsible for it. For the most part expenditures on individual programs are entirely left to the regional representatives or their production staff. The treasurer has told you that he has a representative in each regional production centre and all costs are of course closely checked by the treasurer's division. The artists are paid promptly and the payrolls returned within a week to the national program office where they are again reviewed in order to determine whether or not regional officers are spending their money prudently. So far as expenditures are concerned, I think it is safe to say, and I believe the treasurer will bear me out on this that the program division has not exceeded its budget in any one year by any substantial sum. If, however, we find toward the close of the year that there is any likelihood of our running over our appropriation, this information is immediately passed on to the executive and a supplementary vote is requested or instructions are given to all regional centres that they must immediately reduce the amount of their weekly program costs.

By Mr. Coldwell:

Q. What executive are you referring to? Is that the executive officers?
—A. Yes.

I would say from my practical experience that the system is reasonably air tight although sufficient latitude is given to the regional centres to carry on their work as they see fit.

Now a few words about the control of commercial programs. When an advertising agency or a sponsor first approaches the commercial division with a request to purchase time either nationally, regionally or locally, a form is filled out by the commercial division giving the time and the day that the sponsor would like to have, the length of the contract and other relevant material. The program divisions, however, is immediately concerned with the type of program that the sponsor indicates it is his desire to broadcast. If it is felt that this is not of a reasonably high standard the request for time is refused.

By Mr. Graydon:

Q. You are speaking of networks entirely now?—A. Networks, either regional, national or local C.B.C. stations.

Q. Oh, I see; you supervise all of those?—A. Yes.

Q. So that all scripts and all program material comes before your department?—A. My department, yes.

The commercial division naturally can take the matter further if it so desires but I must say that this very rarely happens.

Q. What do you mean by that?—A. I mean that if the program department refuses to accept a contract from a sponsor because of what we think is unsuitable to program, then the commercial department of course can naturally talk the matter over with the assistant general manager or the general manager; but that very rarely happens.

Q. Oh yes, in the one case it goes to the general manager from your department and in the other case it goes to the assistant general manager?—A. As far as programming generally is concerned the general manager has the last say.

Q. He over-rides the commercial end of it entirely, so far as that end of it is concerned?—A. Yes.

The judgment of the program division is invariably accepted and there never has been anything but the most harmonious relationship existing between our division and the commercial division. Indeed, I may add that the officials of the commercial division are fully aware of the standards which have been set by the program division and in many cases refuse the business without reference to us at all.

We also have associated with us what is known as the traffic division and I can assure you that this is one of the most complicated sections of the C.B.C. By traffic, I mean the routing of all programs on the networks to all sections of the country over the transmission lines provided us under contract by the telegraph companies. The traffic division is under the direction of Mr. E. W. Jackson whose experience in broadcasting dates back to the old Canadian National Railway days.

We also have in our national program office, a representative of the engineering division and all technical problems associated with the arranging of networks and pick-ups are, of course, referred to him. It may be unfortunate that the engineering and program divisions are not housed under the one roof, but on the whole, we manage quite well. There are also frequent conferences between the members of the program staff and the technicians, and these are held in either Toronto, Montreal or Ottawa.

Possibly you would like to know where program ideas come from. I think it is safe to say that for the most part they originate from within the ranks of our own staff. However, there is a constant flow of program suggestions submitted to us by those not directly connected with the C.B.C. and I can assure you that a suggestion received from any quarter gets very careful consideration.

By Mr. Graydon:

Q. Do you get any suggestions from the board of governors?—A. On broad lines.

Q. Pretty broad, I guess.—A. Well, I don't know that anyone on the board is qualified as a program man. That is not their business—

By Mr. Coldwell:

Q. You ought to get suggestions?—A. Probably from Mr. Nathanson.

Q. You get suggestions from individual members of the board?—A. Indeed, yes.

Q. But not from the board as a board?—A. Not to my knowledge.

By Mr. Graydon:

Q. Do you ever sit in on meetings of the board?—A. Very rarely.

Q. Do they ever call you in and question programs?—A. Well, I think, as the general manager has indicated to you, our reports are made to the board in writing and they are passed on to the board in that form.

By Mr. Coldwell:

Q. Your contact with the board is through the general manager?—A. Yes, sir.

Q. And any discussion of programs would be really with the general manager and not with you?—A. That is correct.

By Mr. Graydon:

Q. Might I ask the general manager a question on that point: are you called in very often by the board of governors on the question of programs?

Major MURRAY: Whenever a program matter arises, Mr. Chairman, I am automatically referred to. For the most part it is on matters of general balance, general principles, rather than particular programs.

The WITNESS: It might interest you to know from what source program suggestions are received. They come from many sources. Here is an illustration from a Canadian author not directly associated with the C.B.C. In a fairly detailed way he sets out the purpose of the program, its aims and objectives and how it would be written. I received it the day before yesterday, and I shall turn it over to the program committee for examination. I shall get from them a written report.

By Mr. Coldwell:

Q. How many members are on that program committee?—A. Five.

Q. Who are they?—A. The assistant supervisor of programs, Mr. Taggart; Mr. Jennings, supervisor of program planning; Mr. Morrison, supervisor of talks; Mr. Lucas, supervisor of drama. Excuse me, there are six. Mr. Willis, supervisor of feature broadcasts and Mr. Beaudet supervisor of music.

Q. It seems to me to be a very competent committee, an experienced one.—A. I am sure they would enjoy hearing you say that.

Mr. GRAYDON: Might I add the program director himself. I do not think he should be left out with regard to competency.

Mr. COLDWELL: Oh, well, I asked for the names of the committee and I got them, and I commented on the names that were mentioned.

The WITNESS: Now, as another illustration of an idea which was submitted to us by another young Canadian author, there was a series of programs which has been tentatively entitled "This Our Canada." Right at the moment, the supervisor of our feature division, the writer of the script, and a crew of technicians are on the west coast preparing material for this program, which we hope to present on Sunday nights commencing in the early autumn. I would like to give you just a few of the sub-titles which will be included in the series: (1) The People; (2) The Land; (3) The Faith that Men Brought with Them; (4) Bread; (5) Bonds of Steel. There will be a series of thirteen or fourteen Sunday night programs.

By Mr. Tripp:

Q. What was the fifth one which you mentioned?—A. Bonds of Steel. Now, Mr. Chairman, that is a brief outline of the work of the program division and its relationship to other divisions, and that is about all I have to say. If there are any questions which you wish to ask, I shall try to answer them.

By Mr. Graydon:

Q. Mr. Bushnell, would you be able to furnish to the committee a list of the names and the times occupied by the various members of parliament and cabinet ministers since war broke out in September, 1939?—A. Yes. That can be done.

Q. I wonder if the committee might have that?

The CHAIRMAN: Yes. If that is the wish of the committee, you can have it.

By Mr. Coldwell:

Q. I was going to ask you, Mr. Bushnell, how long you have been with the C.B.C.?—A. I have been with the C.B.C. since its inception. I was also with the old Canadian Radio Broadcasting Commission.

Q. So that you have had experience with both the commission and the corporation?—A. Yes.

Q. And still continue with them?—A. I joined the Radio Broadcasting Commission, I believe, in the autumn of 1933; I was seconded to the Radio Commission for a period of three months by my company, the Canadian National Carbon Company, some time in June or July of 1933, to organize the western network of the Radio Commission.

Q. Do you find the corporation plan of management superior to that of the old commission plan?—A. Yes; very definitely.

Q. We have had considerable discussion here about divided authority under the recent amendment to the by-laws. You have had experience working under the commission set-up, the corporation's set-up as it was and the new set-up. Would you care to comment on the question of divided authority, as to the manner in which it may affect your particular end of the corporation's business?—A. Well, Mr. Chairman, anticipating just such a question, I rather carefully considered what my reply should and would be, and these are my views. I do not agree with the principle of divided authority either in theory or practice. I believe in one boss who may delegate as much or as little authority to his employees as he sees fit.

Mr. GRAYDON: Hear, hear.

The WITNESS: But whether he does or whether he does not is his responsibility. That is theory. To get down to the case in point—the practical application of this principle in the management of the C.B.C.—I think it would be unfair to say either more or less than it has worked moderately well. I am referring entirely, of course, to the division of authority between the general manager and the assistant general manager. I believe the reason for this is obvious. There has been a willingness, indeed it would seem to go further than that, one might almost say, a desire on the part of both of them to make it work. I think it is a clumsy, inconvenient and at times a cumbersome way of getting things done, and I have a grave fear that because of its very ineptness, this system is bound to break down sooner or later, particularly in days such as these that demand prompt, decisive action. Now, it may be heresy and it may even be considered by some as impertinence on my part to say so, but to me the very thought of an executive committee to “manage” the affairs of the corporation is perfectly appalling.

Mr. GRAYDON: It is worse than that.

The WITNESS: My common sense leads me to think that the word “manage” was not quite the term intended, but if I am wrong in my supposition, I can only say that in my opinion the C.B.C. could not and will not function as it was envisaged as it should.

I believe Mr. Nathanson cleared that point up with you the other day.

Mr. COLDWELL: Yes.

The WITNESS: I have not had an opportunity of reading his evidence, and I did not hear it.

By Mr. Coldwell:

Q. He has explained that the word “manage” was not intended. But it is very difficult to understand how it got into the by-laws and passed so many masters of the English language without being noted as we seem to have noted it. I was going to ask you another question. I want to ask my questions as quickly as possible, because I think this committee has been sitting for a very long time now. I wanted to ask you if you agree that there has been no proper attempt to co-ordinate government information and broadcasts? We have had some discussion on that.—A. I would not care to say that there has been no attempt. But my personal opinion is that such attempts as have been made have not been tremendously successful.

Q. There have been attempts made, though?—A. Well, I think through the inter-departmental committee, if that is what you are referring to.

Q. The inter-departmental committee, of course, would be one of the organizations involved. But I was thinking more particularly of the Department of Public Information. What attempts have been made to co-ordinate the work of the department with the work of the broadcasting corporation?—A. I may say this, Mr. Coldwell, that our relationship with the Department of Public Information is excellent.

Q. It is excellent?—A. Oh, yes. We are in constant touch with Mr. Lash.

Q. Yes?—A. We make quite frequent visits. Mr. Aylen, our liaison officer here, is in very close touch with him.

Q. I am very glad to hear that. I thought, as a matter of fact, that is the way it was. But with regard to the inter-departmental committee, may I ask if they are functioning actively?—A. I believe so, yes.

Q. Do they have conferences with you?—A. Mr. Aylen represents the C.B.C. on that committee.

Q. Mr. Aylen represents the C.B.C. on that committee?—A. Yes. I believe the committee meets regularly and Mr. Aylen is certainly in attendance.

Q. Your broadcasts in connection with the war effort have, however, originated largely with your own organization. Is that so?—A. That is true.

Q. That is so?—A. Yes.

Q. Broadcasts regarding public information or war information have not, normally, originated with the department?—A. No.

Q. The actual programs?—A. No.

Q. You have done that. You have had some programs, have you not, prepared by independent commercial organizations?—A. Very few prepared by them. I presume you are referring to advertising agencies?

Q. Yes, advertising agencies.—A. The C.B.C. is well represented on that Advertising Agency of Canada committee. While the business, as such, passes through the hands of the A.A.C., the C.B.C. for the most part is responsible for the creative side and the production of programs. It was on that point that I made a reference to Mr. Taggart.

Q. Yes.—A. Practically his whole time is devoted to the creation, supervision and production of programs connected with the war that are sponsored by various departments of government.

Q. Some of these programs are paid for by the department?—A. Yes.

Q. Do they pay the corporation for them?—A. Yes.

Q. And do they pay the agency as well?—A. No. They do not pay the agency. We pay the agency.

Q. You pay the agency?—A. Yes.

Q. You say the creative end of these programs is largely done by Mr. Taggart?—A. That is right.

Q. Could you not undertake the whole job and save the corporation the expenditure that is made?—A. I would not say that we could not.

Q. You would not say you could not?—A. But I think it is well to remember this, that the corporation is dependent to a fairly large extent on revenue from commercial broadcasting; and commercial broadcasting, for the most part, is handled by advertising agencies. Now, what attitude the advertising agencies would take towards the industry as a whole if the C.B.C. did not give them, their 15 per cent is rather difficult to determine.

Q. In other words, you look upon this payment as a sort of goodwill payment?—A. Yes partly. The facts are that the agencies do a considerable amount of work.

Q. They do some work?—A. Oh, yes. Then again the agencies have a separate committee, apart from the program committee, for booking stations. It might be somewhat embarrassing to the C.B.C. if we were held responsible for placing business over this station or that station and ignoring another station.

Q. I can quite see that. Returning to the first question that I asked, regarding the co-ordination of government information with the C.B.C., could you help the committee in any way by suggesting improvement as to method? Have you any views on that point?—A. Well, I may say that it is a subject to which we have given considerable thought. Frankly, I have not yet arrived at what I think is a satisfactory conclusion. I am afraid I cannot be very helpful. There are many ramifications, as you know.

Q. Yes. We have seen that when we have discussed the matter here before.—A. But just what could be done to clarify the position, I do not know at the moment.

Q. You are at the head of a department. There are a number of heads of departments?—A. That is right.

Q. Do the heads of departments meet regularly?—A. Well, the heads of departments meet regularly in this sense, that we see one another individually quite often.

Q. I do not mean that. I mean are there regular meetings of the heads of departments to discuss the affairs of the corporation generally?—A. No, not lately. We used to have such meetings.

Q. You used to have such meetings?—A. Yes, as I recall it. We have within the framework of our department regular meetings.

Q. I was not thinking of that. I was thinking of the meetings of the heads of departments. In an organization such as this, you have a number of heads of departments, all dealing with different phases of the corporation's work. I wondered if the heads of departments met together to discuss the problems that might be related one to the other with regard to the corporation's business. My thought was not just as to conversations individually, but rather as to regular meetings.—A. Not regularly.

Q. No. But you had meetings like that at one time, you say?—A. I believe we had. Is that not correct?

MAJOR MURRAY: Control meetings.

The WITNESS: Control meetings, yes.

By Mr. Coldwell:

Q. How long ago were they discontinued?—A. Oh, it was before I went to England, I think.

Q. When did you go to England?—A. Two years ago.

Q. When?—A. Two years ago.

Q. You were in England?—A. I was there for nine months in 1940.

Q. In 1940?—A. Yes.

Q. Why were the meetings of heads of departments discontinued?—A. I do not know.

Q. Were they discontinued just because they were of no value or were they stopped or what happened?—A. Well, inasmuch as that probably was a decision of the management, I think the question might be asked of them. I do not know.

Q. You would be attending those meetings. Were minutes of those meetings kept, for example? Were they regular meetings?—A. They were regular. I do not recall minutes being kept. They may well have been. I would not like to say. There were notes kept. I do not know whether they were in the form of formal minutes.

Q. That practice has been discontinued?—A. Yes.

Q. Do you think that would be a good practice to have in effect in a corporation like the C.B.C.?—A. I do.

Q. From your own experience as head of a department?—A. Yes.

Q. You think that. That is something that might be considered, I should think.

By the Chairman:

Q. There is nothing to interfere with your calling a conference with other men of other departments that might be inter-related, is there?—A. Oh, I would doubt if there was anything to interfere.

By Mr. Coldwell:

Q. But you would not regard it as your particular function to call meetings of that sort?—A. No.

Q. Whose function would that be? Would it be the general manager's?—A. The general manager or the assistant general manager.

Q. And you think they would be beneficial?—A. Yes.

Q. Did they serve a useful purpose in bygone days?—A. Yes.

By Mr. Graydon:

Q. I can quite understand that the meetings of departmental heads should be very beneficial, particularly in view of the division of authority which exists between the general manager and the assistant general manager. It seems rather curious to me that these meetings should be discontinued after the division of authority had occurred, when it would seem to me that the division of authority might readily mean that the meetings would be more essential than ever.—A. I think they were discontinued before that, as I recall it.

Mr. COLDWELL: I think Mr. Graydon is right, that probably with the division of authority—and you have expressed yourself very clearly on that point—such meetings would be beneficial now.

Mr. GRAYDON: It seems to me that there is always the danger—and it is a danger which the committee, I think, ought to consider and make some recommendation upon perhaps—that with the divided authority we have, and so many branches of the C.B.C., the whole organization might end up in watertight compartments. If that were to take place, it would have a serious effect upon the whole operations of the corporation, I think.

By Mr. Coldwell:

Q. You were discussing programs just now, Mr. Bushnell. Is there proper co-ordination between the programs that are initiated by the C.B.C., would you say?—A. Oh, yes; I would say so.

Q. You say that is quite successfully done under the present plan?—A. Yes. We have a program planning committee and a program scheduling committee.

Q. You are responsible for these programs to a very large extent. Is there consultation with you regarding all programs that are put on the air?—A. Well, no. Just what do you mean by "all programs"? Are you thinking of anything specific?

Q. I was thinking of programs generally. You are supervisor of programs. In that capacity I would imagine you are responsible for some say; you would have some consultation at least about all programs that are put on the air. I may tell you that I am leading up to some more questions.—A. Well, for the most part that is so.

Q. For the most part. Are any programs put on the air without your being consulted?—A. Occasionally.

Q. Occasionally?—A. Yes.

Q. Can you give me any examples?—A. Well, I think that it is only fair to say that at the present time the French programs on the French network are put on without very much consultation with me. Programs originating in the province of Quebec broadcast on the national network are of immediate interest and concern to me and there is frequent consultation.

Q. Yes?—A. Mr. Beaudet, supervisor of music and also head of the program department of the province of Quebec, visits Toronto at least once a week and spends a couple of days there. But our national program office does not, shall I say, interfere too much with what happens in the province of Quebec, so far as the French programs are concerned.

Q. No. In that way one can understand that there are practically two networks, as it were?—A. That might be a reasonable assumption.

Q. Are you supposed to be head of both networks?—A. So far as I know.

By the Chairman:

Q. Are you bilingual?—A. I am not.

Q. Then you would not be competent to judge as to the programs that were put on over the French network—A. I think that is quite right.

By Mr. Coldwell:

Q. But you have frequent consultation with Mr. Beaudet?—A. Yes.

Q. I should like to indicate clearly what I had in mind about this divided authority. Mr. Beaudet is really subordinate to you?—A. Yes.

Q. And he consults with you regarding programs that are put on?—A. Yes.

Q. In the province of Quebec. No let us deal with what I might call the English speaking network. Are you consulted on all the programs that go on the English speaking network in English?—A. I think so.

By the Chairman:

Q. Mr. Bushnell, you have heard reference here on a number of occasions to division of authority with regard to the set-up where there is a general manager and an assistant general manager. Do you or do you not regard that more a division of duties than a division of authority?—A. No, I do not.

Q. You do not?—A. No.

Q. I wanted to get that clear.

By Mr. Coldwell:

Q. We have also discussed at some length the Thompson and Plaunt report.
A. Yes.

Q. I want to draw your attention to one or two things in the Plaunt report which I think affect your department. At page 603 of the record, in paragraph 2, we have Mr. Plaunt saying this:

Need of more adequate provision for programs—Mr. Thompson has referred to the view that, with the exception of current capital commitments and possibly of provision for adequate housing facilities, no new capital commitments should be undertaken until the corporation is in a position to provide an additional \$500,000 per annum for program purposes. Much as I recognize the need of further improving the corporation's technical facilities, my investigation has led me fully to support the above view.

That is to say, that programs should take precedence over the others. Continuing:

At the present time the program department is doing its utmost under difficult conditions but it is virtually starved. If the corporation is to retain and develop the national audience, money must be provided to make possible satisfactory production conditions, new and essential services, and the husbanding of the artistic and cultural resources of the various regions.

I should like you to comment on that, Mr. Bushnell, since it affects your particular place in the broadcasting corporation.—A. Well, I would think that the conditions of which Mr. Plaunt speaks have been corrected, to some extent.

Q. What do you mean by that? A. It is a fact that the program division has been given, I think, even in excess of the sum Mr. Plaunt mentioned, since the date this report was prepared. So far as adequate studio facilities are concerned, we are much better off than we used to be. We have added, as I believe you have been told, studio facilities in Toronto, Ottawa, Montreal. We still have the Maritimes to consider. I believe work is going forward there. We are reasonably comfortable in Vancouver. In Winnipeg we use the studios of the Manitoba Telephone Service Station, CKY.

Q. Are they satisfactory?—A. They are reasonably adequate. I do not suppose you would ever satisfy any program department with studio facilities. We always want more and better. I do not think that it is correct to say that the program department is starved at the moment, though one could always do with more money.

Q. The condition has been improved?—A. Yes; greatly.

Q. Since Mr. Plaunt presented this report?—A. Yes; greatly improved.

Q. There is another paragraph which struck me—although you have partly answered it now,—and that is the very next one:—

Program production conditions and requirements—There is no doubt that production conditions in the program department are most unsatisfactory. Quite apart from studio facilities, which are of course inadequate, a number of other aspects of production will have to be rectified if improved performance is to result and if this essential branch of the corporation's activities is to develop in an orderly way.

I wondered if you knew what was meant or would care to comment upon the statement "a number of other aspects of production will have to be rectified." Do you know what Mr. Plaunt had in mind?—A. No.

Q. Did he discuss it with you at any time? A. Yes. As a matter of fact, Mr. Plaunt did discuss it with me; not after the report was prepared but before.

Q. I see. A. I do not know specifically to what he refers when he says, "other aspects of production will have to be rectified", unless it has some relation to the paragraph (a) particularly. But that has been adjusted.

Q. He has something on that in paragraph (b) which reads:—

Restaffing necessary—Another important condition of the future effectiveness of the production department will be greater flexibility in the matter of replacements than has hitherto been permitted. I shall deal with the general question in the report of the corporation's personnel. It is mentioned here because flexibility in program production is absolutely essential for its vitality. According to reliable sources it has been virtually impossible to dismiss anyone in this department, however incompetent. The result is the discouragement of the better creative brains and a tendency on the part of the less competent members of the production staff to resist fresh ideas and abler producers. There is no doubt that an unsatisfactory atmosphere is prevalent.

This deals with your own particular department. I should like your comments. A. I think the unsatisfactory atmosphere that was prevalent at that time was largely predicated upon the salary structure; that has been to some extent, removed. There is another point that is worthy of noting, I think, and it is this. Irrespective of the sum of money or the salaries of producers, it is not easy to acquire competent producers.

Q. No?—A. They do not grow on gooseberry bushes. Since this report was made, we have been able to obtain the services of a few competent producers. Mr. Caplan in Montreal and Mr. Andrew Allen in Vancouver are two in point. I can say we are very glad to have them with us.

Q. That deals with the new acquisitions to your department. What about this statement: "According to reliable sources it has been virtually impossible to dismiss anyone in this department, however incompetent? Is it a fact that you have members of the staff who perform no very useful function?—A. Well, I suppose that might be said of any one of us.

Q. No. I do not quite mean that. What I mean is this. Are there members of the staff who are retained and about whose competence you, as chief of this department, have doubts?—A. There might be a few.

Q. A few. Have you made recommendations in regard to the few?—A. I do not think so.

Q. You do not think so. I just wondered. As you know—and I make no secret of this—within a few weeks before Mr. Plaunt died I saw him at his request and he told me a very great deal about this report, as a matter of fact, and some of the things that it meant. That is why I am trying to get these matters cleared up. We had some discussion too about commentators on the network, three in particular. Have you anything to do with the appointment of commentators?—A. Yes.

Q. You have something to do with that?—A. Yes.

Q. Did you approve, for example, of the appointment of Mr. R. S. Lambert?—A. I do not know that I had much to do with the appointment of Mr. Lambert on a temporary basis. I believe at one time it was considered that Mr. Lambert should be appointed to the permanent staff; and I think it is fair to say that in discussion with the general manager I raised certain objections.

By Mr. Tripp:

Q. On what ground?—A. Well, for that particular position—and mind you, these are only my views—I did not think that Mr. Lambert was qualified. I do not think his experience with the B.B.C. or his length of stay in Canada quite qualified him for the post of supervisor of school broadcasting or supervisor of education. I recognize Mr. Lambert as a very able man, and I am quite prepared to admit that during the past two years he has done a lot of worthwhile work on behalf of school broadcasting. But in fairness to the other members of the staff, I am bound to say that much progress in this direction had been made before he appeared on the scene, and that much has been done since in which he has played no part.

Q. With regard to this school broadcasting, has any attempt been made to discuss the problem of school broadcasting with the teachers' organizations such as, for example, the Canadian Teachers' Federation?—A. Oh, yes, indeed.

Q. Are you sure of that?—A. Oh, yes.

Q. You are quite sure it has been discussed with the Canadian Teachers' Federation?—A. Well, there are so many of these teachers' organizations, I would not like to swear to that; but I think I am right.

Q. The Canadian Teachers' Federation is a federation of all the teachers' organizations throughout the Dominion?—A. Yes.

The CHAIRMAN: It is the parent one.

By Mr. Coldwell:

Q. It has a membership, I think, of about 40,000.—A. Yes.

Q. I once had the honour to be president of it. I was making some inquiries, as a matter of fact, as to whether the Canadian Teachers' Federation had been consulted.—A. Who is the secretary?

Q. Mr. Crutchfield of Shawinigan Falls.—A. Oh, yes, definitely. I know Mr. Crutchfield very well and talked to him no later than last spring.

Q. I am glad to hear that, because my information from a member of the executive was that the Federation as such knew nothing about it or very little about it.—A. No. That is not correct.

Q. I am glad to know that.

By Mr. Tripp:

Q. Would Mr. Lambert's position in the C.B.C. put him in the position where he might possibly attempt to revolutionize the different set-ups in the different provinces?—A. No; I do not think so.

Q. His duties are just to put over a program regarding certain subjects?—A. No, not at the moment. That is largely the responsibility of Mr. Delafield. At the present time Mr. Lambert is, as Mr. Murray has said, more of a negotiator for the C.B.C. But he does more of that work than the actual planning of school broadcasts. That is left fairly well in the hands of the regional representatives.

By Mr. Coldwell:

Q. The regional representative really does the planning of school broadcasts?—A. No. Mr. Murray has corrected me on that. That is not quite correct. It is in the hands of the provinces, shall I say, and their representatives.

APPENDIX A

PRIVATE RECEIVING STATION LICENCES
ISSUES AND REVENUE
BY PROVINCE

LICENCE ISSUES BY PROVINCES FISCAL YEAR 1938-39

	Special Private Receiving Station Licences (\$2.00)	Private Receiving Station Licences (\$2.50)	Total
	\$ cts.	\$ cts.	\$ cts.
Prince Edward Island.....	1,833	3,376	5,209
Nova Scotia.....	4,601	47,021	51,622
New Brunswick.....	3,914	31,136	35,050
Quebec.....	3,901	292,019	295,920
Ontario.....	19,085	478,773	497,858
Manitoba.....	16,330	62,965	79,295
Saskatchewan.....	24,349	39,276	63,625
Alberta.....	27,659	60,698	88,357
British Columbia.....	5,247	100,922	106,169
Yukon and Northwest Territories.....	257	140	397
	107,176	1,116,326	1,223,502

REVENUE BY PROVINCES

	(\$2.00) \$ cts.	(\$2.50) \$ cts.	\$ cts.
Prince Edward Island.....	3,362 32	7,730 69	11,093 01
Nova Scotia.....	8,439 74	109,412 41	117,852 15
New Brunswick.....	7,179 56	72,531 62	79,711 18
Quebec.....	7,155 71	681,017 95	688,173 66
Ontario.....	35,008 04	1,116,313 03	1,151,321 07
Manitoba.....	29,954 51	146,680 98	176,635 49
Saskatchewan.....	44,664 04	91,333 04	135,997 08
Alberta.....	50,735 66	141,239 01	191,974 67
British Columbia.....	9,624 72	234,984 99	244,609 71
Yukon and Northwest Territories.....	471 42	326 81	798 23
	196,595 72	2,601,570 53	2,798,166 25

PRIVATE RECEIVING STATION LICENCES
ISSUES AND REVENUE
BY PROVINCE

LICENCE ISSUES BY PROVINCES FISCAL YEAR 1939-40

	Special Private Receiving Station Licences (\$2.00)	Private Receiving Station Licences (\$2.50)	Total
	\$ cts.	\$ cts.	\$ cts.
Prince Edward Island.....	2,239	3,455	5,694
Nova Scotia.....	7,216	48,580	55,796
New Brunswick.....	4,450	33,279	37,729
Quebec.....	6,644	311,743	318,387
Ontario.....	25,405	495,098	520,503
Manitoba.....	21,641	68,063	89,704
Saskatchewan.....	51,053	47,654	98,707
Alberta.....	38,612	65,671	104,283
British Columbia.....	7,460	106,485	113,945
Yukon and Northwest Territories.....	339	70	409
	165,059	1,180,098	1,345,157

REVENUE BY PROVINCES

	(\$2.00) \$ cts.	(\$2.50) \$ cts.	\$ cts.
Prince Edward Island.....	4,097 37	7,977 92	12,075 29
Nova Scotia.....	13,205 28	112,557 64	125,762 92
New Brunswick.....	8,143 50	77,220 86	85,364 36
Quebec.....	12,158 52	723,462 07	735,620 59
Ontario.....	46,491 15	1,147,558 57	1,194,049 72
Manitoba.....	39,603 03	157,708 38	197,311 41
Saskatchewan.....	93,426 99	110,330 16	203,757 15
Alberta.....	70,659 96	152,034 83	222,694 79
British Columbia.....	13,651 80	246,096 93	259,748 73
Yukon and Northwest Territories.....	620 37	163 10	783 47
	302,057 97	2,735,110 46	3,037,168 43

PRIVATE RECEIVING STATION LICENCES
ISSUES AND REVENUE
BY PROVINCE

LICENCE ISSUES BY PROVINCES FISCAL YEAR 1940-41

	Special Private Receiving Station Licences (\$2.00)	Private Receiving Station Licences (\$2.50)	Total
	\$ cts.	\$ cts.	\$ cts.
Prince Edward Island.....	2,860	3,477	6,337
Nova Scotia.....	9,619	52,877	62,496
New Brunswick.....	6,001	35,757	41,758
Quebec.....	12,772	333,556	346,328
Ontario.....	32,645	526,135	558,780
Manitoba.....	23,927	70,430	94,357
Saskatchewan.....	59,894	49,819	109,713
Alberta.....	41,347	67,302	108,649
British Columbia.....	9,427	116,287	125,714
Yukon and Northwest Territories.....	464	121	585
	198,956	1,255,761	1,454,717

REVENUE BY PROVINCES

	(\$2.00) \$ cts.	(\$2.50) \$ cts.	\$ cts.
Prince Edward Island.....	5,233 80	8,101 41	13,335 21
Nova Scotia.....	17,542 77	122,803 41	140,346 18
New Brunswick.....	10,951 83	83,063 81	94,015 64
Quebec.....	23,292 76	774,599 48	797,892 24
Ontario.....	59,540 35	1,221,695 28	1,281,235 63
Manitoba.....	43,666 41	163,601 90	207,268 31
Saskatchewan.....	109,246 02	115,678 27	224,924 29
Alberta.....	75,415 01	156,313 66	231,728 67
British Columbia.....	17,200 41	270,048 71	287,249 12
Yukon and Northwest Territories.....	849 12	281 93	1,131 05
	362,938 48	2,916,187 86	3,279,126 34

PRIVATE RECEIVING STATION LICENCES
ISSUES AND REVENUE
BY PROVINCE

LICENCE ISSUES BY PROVINCES FISCAL YEAR 1941-42

	Special Private Receiving Station Licences (\$2.00)	Private Receiving Station Licences (\$2.50)	Total
	\$ cts.	\$ cts.	\$ cts.
Prince Edward Island.....	4,626	4,336	8,962
Nova Scotia.....	13,005	58,771	71,776
New Brunswick.....	8,858	39,870	48,728
Quebec.....	20,144	380,758	400,902
Ontario.....	40,318	564,663	604,981
Manitoba.....	27,993	76,391	104,384
Saskatchewan.....	67,979	54,325	122,304
Alberta.....	48,356	74,133	122,489
British Columbia.....	10,947	127,244	138,191
Yukon and Northwest Territories.....	576	196	772
	242,802	1,380,687	1,623,489

REVENUE BY PROVINCES

	(\$2.00)	(\$2.50)	
	\$ cts.	\$ cts.	\$ cts.
Prince Edward Island.....	8,465 58	10,102 88	18,568 46
Nova Scotia.....	23,799 15	136,436 43	160,235 58
New Brunswick.....	16,210 14	92,397 10	108,607 24
Quebec.....	36,863 52	884,166 14	921,029 66
Ontario.....	73,781 94	1,311,994 86	1,385,776 80
Manitoba.....	50,977 19	177,241 03	228,218 22
Saskatchewan.....	123,901 57	126,077 25	249,978 82
Alberta.....	88,241 48	171,979 89	260,221 37
British Columbia.....	20,033 01	295,478 52	315,511 53
Yukon and Northwest Territories.....	1,054 08	456 68	1,510 76
	443,327 66	3,206,330 78	3,649,658 44

APPENDIX B

PROSECUTIONS—1936-37

Prov- ince	Towns Checked	Number of Cases					Total Fines	Lawyers' Fees	Costs Paid by Depart- ment
		Sub- mitted	Auth- orized	Con- victed	Dis- missed	With- drawn			
							\$ cts.	\$ cts.	\$ cts.
B.C....	15	157	154	142	6	6	118 50	10 10	.....
Alta....	23	128	117	110	7	.....	285 00	.....	.....
Sask....	62	308	284	272	2	10	358 50	50 65	5 50
Man....	15	135	130	117	3	10	490 50	.....	23 50
Ont....	168	1,927	1,459	1,223	42	194	2,848 50	217 00	8 00
Que....	79	1,061	957	616	46	59	669 10	838 19	656 21
N.B....	24	181	135	114	2	19	347 00	.....	3 00
N.S....	34	199	192	172	14	6	405 00	100 75	23 40
P.E.I...	7	60	59	56	2	1	114 00	7 00	.....
Total..	427	4,156	3,487	2,822	124	305	5,636 10	1,223 69	719 61

PROSECUTIONS—1937-38

Prov- ince	Towns Checked	Number of Cases					Total Fines	Lawyers' Fees	Costs Paid by Depart- ment
		Sub- mitted	Auth- orized	Con- victed	Dis- missed	With- drawn			
							\$ cts.	\$ cts.	\$ cts.
B.C....	32	211	198	190	3	5	387 00	145 95	.....
Alta....	37	121	119	116	2	1	386 00	.....	7 50
Sask....	8	86	84	81	1	2	99 00	125 00	.....
Man....	8	136	126	119	.....	7	422 00	.....	18 00
Ont....	173	1,952	1,604	1,365	28	211	3,614 00	109 50	3 20
Que....	60	453	403	375	.....	28	537 00	150 00	115 65
N.B....	23	223	198	166	2	30	379 00	.....	24 95
N.S....	24	239	231	211	9	11	716 75	54 50	18 50
P.E.I...	29	88	88	79	2	7	158 00	.....	6 40
Total...	394	3,509	3,051	2,702	47	302	6,698 75	584 95	194 20

PROSECUTIONS—1938-39

Prov- ince	Towns Checked	Number of Cases					Total Fines	Lawyers' Fees	Costs Paid by Depart- ment
		Sub- mitted	Auth- orized	Con- victed	Dis- missed	With- drawn			
							\$ cts.	\$ cts.	\$ cts.
B.C....	39	456	434	396	9	29	988 75	160 50	1 50
Alta....	84	451	410	381	10	19	1,042 50	37 00	69 29
Sask....	68	776	750	703	7	40	1,280 00	303 12	76 62
Man....	25	258	236	217	6	13	778 75	.....	46 50
Ont....	248	3,294	2,625	1,999	54	572	5,373 75	163 20	10 05
Que....	121	759	664	632	6	26	939 05	195 67	170 34
N.B....	48	323	274	207	1	66	360 00	.....	10 85
N.S....	76	462	425	375	20	30	1,033 00	10 00	61 20
P.E.I...	36	111	109	97	7	5	165 00	.....	4 00
Total..	745	6,890	5,927	5,007	120	800	11,960 80	869 49	450 35

PROSECUTIONS—1939-40

Province	Towns Checked	Number of Cases							Total Fines	Lawyers' Fees	Costs Depart- ment
		Sub- mitted	Auth- orized	Convictions		Dis- missed	With- drawn	With- held			
				Fined	Susp.Sent.						
British Columbia.....	31	291	268	221	35		4	8	\$ 459 00	\$ cts. 2 50	
Alberta.....	58	299	273	251	1		15	2	709 50	60 86	
Saskatchewan.....	69	629	615	584	4		15	12	1,225 00	49 88	
Manitoba.....	24	98	96	86	3		2	4	221 00		
Ontario.....	197	2,086	1,562	1,193	111		159	76	2,629 75	10 75	
Quebec.....	111	591	500	356	71		19	45	525 00	207 32	
New Brunswick.....	34	131	108	68	1		16	20	105 50	15 20	
Nova Scotia.....	74	206	197	170	2		12	5	579 00	21 80	
Prince Edward Island.....	6	73	58	53			5		64 00	10 00	
Total.....	604	4,404	3,677	2,982	228		246	172	6,517 75	378 31	

PROSECUTIONS—1940-41

Province	Towns Checked	Number of Cases							Total Fines	Lawyers' Fees	Costs Depart- ment
		Sub- mitted	Auth- orized	Convictions		Dis- missed	With- drawn	With- held			
				Fined	Susp.Sent.						
British Columbia.....	57	536	515	388	71	5	37	14	\$ 1,087 50	cts. 4 00	
Alberta.....	47	241	210	180	3	2	19	6	523 00	52 51	
Saskatchewan.....	70	519	511	478	.....	.....	21	12	988 50	.....
Manitoba.....	6	60	56	51	2	1	.....	2	148 80	.....
Ontario.....	142	3,270	2,857	2,200	327	21	267	42	6,164 20	1 50	
Quebec.....	86	576	517	450	20	5	26	16	1,037 30	181 88	
New Brunswick.....	40	371	327	290	5	1	18	13	694 00	6 55	
Nova Scotia.....	33	239	221	200	3	5	11	2	489 50	2 65	
Prince Edward Island.....	22	170	155	130	5	6	6	8	152 00	21 25	
Total.....	503	5,982	5,369	4,367	436	46	405	115	11,284 80	343 55	
									\$	cts.	
									1,087 50	35 50	
									523 00	.....
									988 50	.....
									148 80	.....
									6,164 20	.....
									1,037 30	308 05	
									694 00	.....
									489 50	.....
									152 00	.....
									11,284 80	270 34	

PROSECUTIONS—1941-42

Province	Towns Checked	Number of Cases							Total Fines \$	Lawyers' Fees \$	cts.	Costs Paid by Depart- ment \$	
		Sub- mitted	Author- ized	Convictions		Dis- missed	With- drawn	With- held					Pending
				Fined	Susp. Sentence								
British Columbia.....	31	443	424	279	72	7	20	46	.....	785 50	7 60	.....
Alberta.....	35	270	245	218	7	3	16	1	.....	732 25	.....	27 75
Saskatchewan.....	64	532	509	470	1	2	29	7	.....	1,072 00	.....	33 20
Manitoba.....	12	147	139	129	3	1	3	3	.....	516 00	.....	8 00
Ontario.....	147	3,446	3,050	2,600	104	23	169	71	83	6,134 15	.....	1 40
Quebec.....	108	1,163	1,037	908	38	7	24	20	40	1,024 50	113 00	184 90	
New Brunswick.....	19	213	185	144	.....	5	20	2	14	321 00	.....	5 70
Nova Scotia.....	58	384	358	324	2	11	9	9	3	1,170 50	.....	20 20
Prince Edward Island.....	32	209	198	183	.....	6	6	3	.....	333 00	.....	16 00
Total.....	506	6,807	6,145	5,255	227	65	296	162	140	12,088 90	120 60	297 15	

To June 22nd, 1942. (Not Final).

Q. In the hands of the provinces?—A. Yes.

By Mr. Tripp:

Q. The provinces still retain control?—A. Yes.

Q. Then where is the danger with respect to Mr. Lambert?

Mr. COLDWELL: I do not think there is a danger.

Mr. TRIPP: You kind of suggested that.

Mr. COLDWELL: No. I would not suggest there is any danger. I have not been suggesting that at all. What I do suggest—and I think Mr. Bushnell apparently agrees this morning—is that there ought to be persons who have knowledge of the Canadian educational system available to do this kind of work; and that a man who has had no experience either in schools or in the educational system of Canada is not properly qualified to do this important work of supervising school broadcasts in this country. That is the point I was making.

By Mr. Tripp:

Q. The point I was bringing out is as to whether or not he is qualified to do the work that he is attempting to do.—A. At the present time?

Q. Yes.—A. Yes.

By the Chairman:

Q. Are his talks supervised by the Department of Education in the province in which he makes the talk? Are they approved by them?—A. He does not do any talks on behalf of the provincial departments of education.

Q. No, no. But he is talking along the lines of which they have complete control in any province. For instance, in Ontario, have they made any objection to his talks?—A. To his discussions?

Q. Are they supervised by them to the extent that they are censored previous to his making them?—A. I would say they had been well satisfied. So far as I know, they have never voiced any strong objection to him.

By Mr. Coldwell:

Q. What I had in mind was this. If you read Mr. Estorick's report, for example, you will find that he comments very highly on the work of Mr. Dilworth of the British Columbia region and says it is quite a model. Mr. Dilworth was a high school principal in Vancouver. Afterwards he taught in the University of British Columbia, and he is eminently qualified to do the job that he is doing now. I am suggesting that a man of Mr. Dilworth's type, familiar with all phases of Canadian education, could have undertaken a job of this description probably more constructively from our own point of view than somebody who has been in the country only four years. I am not talking about any danger at all. I am just pointing that out. Do you agree with that, Mr. Bushnell?—A. Yes, I do.

Mr. TRIPP: Well, there is the point about bringing in outsiders who might give us some ideas about our educational system. In Saskatchewan for instance, as Mr. Coldwell will remember, at one time we had criticism out there about our educational system. We brought a man in from the United States.

Mr. COLDWELL: That is right.

Mr. TRIPP: I think the report was quite satisfactory. Everybody agreed that the report was quite satisfactory. I do not see any danger in bringing in outside persons to give an opinion.

Mr. COLDWELL: That is not the point.

The CHAIRMAN: He is not giving opinions.

By Mr. Coldwell:

Q. Now I am going to enquire about Mr. Farrell. Has your program department had any views with regards to Mr. Farrell's broadcasts?—A. Yes.

Q. What have those views been?—A. Well, Mr. Farrell's broadcasts have been a subject of discussion between the program division and the general manager for at least two years. I do not wish to speak unkindly of the work of a man whose sincerity of purpose is beyond question, nor do I believe it would serve any useful purpose to air in public the differences of opinion that have occasionally existed as between the general manager and myself, representing the program division. It might be appropriate to add at this point—and I believe the general manager will agree with me—that he has not surrounded himself with a group of "yes" men in the C.B.C. Discussions are conducted in a vigorous, lusty and a perfectly frank manner and none from the office boy up need have any hesitation about expressing an opinion about anything that he or she considers is pertinent to the operation of the corporation.

Now, about Mr. Farrell. I hope Mr. Farrell will forgive me, but personally I do not like his broadcasts. I do not like the Farmer Fiddlers either, but I recognize the fact that a great many listeners do. I think if there is one thing I dislike about Mr. Farrell's broadcasts more than another, it might be what we commonly term his microphone manner. I do not believe he rates the publicity either he or his broadcasts are given. In this I am supported by a large majority of the program division. Maybe we are wrong. We have been wrong before. But we must, and we do recognize the right of the general manager to say "this should be broadcast" or "that should not be broadcast." That is all I have to say about Mr. Farrell.

Q. For a period of two years you have made this sort of recommendation?—A. From time to time, yes.

Q. The program committee, I take it, are the people whose names you read earlier in your evidence?—A. That is right.

Q. And they are a group of people who are first-class broadcasters themselves?—A. Yes, but I concede some very honest differences of opinion between us.

Q. You read a letter, a very interesting and, I think, well-put-together report from Mrs. Morrison of Saskatoon?—A. Yes.

Q. Has she ever reported on that particular broadcast?—A. I do not know.

Q. You do not know?—A. No.

Q. It just struck me that it would be interesting to have that, because she seems to have quite an incisive way of saying things.—A. Her comments might be very much like my own. They would be very forthright and direct.

Q. I just wondered if you had a comment from Mrs. Morrison.

By Mr. Hansell:

Q. You used the term "microphonic"?—A. Microphone manner.

Q. Just what do you mean by that?—A. Oh, one's tone of voice, one's ability to read, shall I say, intelligently, without any slight tendency towards bombast. It is a purely personal thing. As I say, I do not like the Farmer Fiddlers. I do not listen to them.

By Mr. Coldwell:

Q. In fairness to you and in fairness to Mr. Farrell, I may say that is precisely the criticism I have heard over and over again?—A. I recognize the fact that Mr. Farrell gets thousands of letters. I do not think you can put any program on the air, good or bad, without getting a certain amount of comment on it; and I think that is desirable.

By the Chairman:

Q. You recognize that you cannot standardize broadcasting?—A. Quite right.

By Mr. Coldwell:

Q. What I am getting at is this. You have in Canada some men who are pretty outstanding in the field of commentary. I do not want to select any, but let me mention, for example, Bruce Hutchison.—A. Right.

Q. The Bruce Hutchison programs have been listened to with a good deal of appreciation by a good many people in the country, and yet the Bruce Hutchison commentaries are at least intermittent.—A. I would say that is largely his own fault.

Q. That is largely his own fault?—A. Yes. If we could get Bruce Hutchison, we would have him.

Q. You would have him all the time?

Major MURRAY: Whenever we could get him.

Mr. COLDWELL: Take Dr. Stewart of Dalhousie. His broadcasts were, I think, quite exceptional; or some others like Mr. Ferguson of the Manitoba Free Press.

Major MURRAY: Yes.

By Mr. Coldwell:

Q. The thing that puzzles a good many people is why this one commentator is kept on for several years—and your own criticism is one that is made quite largely—yet these outstanding men in the field are on either intermittently or not at all.—A. Well, I bow to the superior judgment of the general manager.

Q. I can tell you that the criticism that is being made throughout the country is that there must be a great deal of favoritism in the C.B.C. management. That is what you hear.

By Mr. Hansell:

Q. The reason I asked the question I did was because previously I asked another one with respect to the appraisalment or evaluating of these broadcasts. It appears now that the criticism with respect to Mr. Farrell is in respect to what Mr. Bushnell has called "microphone manner." What criticisms, constructive or destructive, we might have had in respect to the material that is put over is another matter.—A. Quite.

Q. There has been talk of outstanding broadcasters, and Bruce Hutchison has been used as an example. Those men may be outstanding because their material may be different, not because of their microphone manner. I think there is a difference between the two. I can quite understand how people enjoy one person more than another, perhaps because of their mannerisms. There is a vast number of people who listen to people because of the material that is in their broadcasts and who are not so particularly fussy about the mannerisms. Mr. Coldwell may have heard a great deal of comment; he gets around. But the rest of us get around too; and personally I must say that I have never heard one comment, pro or con, good or bad, in respect to Mr. Farrell.—A. I can appreciate that.

By Mr. Coldwell:

Q. Now, with regard to Mr. Moseley. Does he assist your department?—A. I do not know much about Mr. Moseley.

Q. You do not know much about him?—A. No.

Q. I will not ask you any further questions about him then. There is one other thing and that is regarding private stations. We have asked several

times about carrying out the regulations in a more technical way. Now I am going to ask you, in the program sense, if there is a check-up of violations of the amount of advertising and other violations of the rules regarding programs on private stations?—A. Well, yes, I believe there is. We have a stations relations department doing that. I believe Mr. Radford could explain it to you much better than I could. I will say this, that if the stations relations department discovers an infringement of a regulation, particularly so far as programs are concerned, the matter is reported to the program division. If there is anything that is considered in bad taste our advice is sought and given. But it remains then for the stations relations division to take appropriate action.

Q. Who checks the advertising of patent medicines?—A. The stations relations division, I believe—and Mr. Radford will correct me if I am wrong—in consultation with the Department of National Health.

Q. There is a program that comes over the air from a local station in the morning. CKCO sponsors it. I wondered if the stations relations department had made any check of the type of advertising that was done until recently on that 8.15 broadcast in the morning.—A. I am not competent to answer that.

The CHAIRMAN: I do know, with reference to the advertising of patent medicines, that it is submitted to the pure foods branch of the Department of Pensions and National Health. There is a check-up on that. Is that right?

The WITNESS: I believe that is so.

The CHAIRMAN: I have been so informed.

The WITNESS: I think Mr. Radford could give better information than I.

By Mr. Graydon:

Q. Do you hear any criticism of commercial announcements in conjunction with items of news and so on that are put over the air?—A. No. I must admit that I have heard very little on that score.

Q. The public does not object to having commercials thrown in once in awhile?—A. I do not think so; not the way we do it here in Canada.

Q. Under the present policy of the C.B.C., the income and revenue from commercials is rather small in comparison with the other income that the corporation has. Has some consideration been given through the years to increasing the commercial revenue of the C.B.C.?—A. No. As a matter of fact, I think a few years ago we set a limit to the amount of commercial advertising that we would take, or that we would accept. I do not think that limit has ever been exceeded. As a matter of fact, I think at the present moment it is far under that limit.

Q. You think that, with the present facilities of the C.B.C., its revenue might be increased by having a little more of commercials?—A. It could be. There is no doubt about that.

Q. Would that seriously impair the efficiency of the programs generally?—A. I think it might. It would limit the amount of public service broadcasting that we could do, entirely apart from the straight entertainment programs that we give. Here is an example. The Dorothy Thompson broadcast was mentioned. Well, the committee in Toronto, without reference to us, went ahead and arranged this rally in the Varsity arena on a Monday night. The main speakers were to be heard between nine and ten o'clock. Between nine and ten o'clock every Monday night we have the Lux Radio Theatre. That is listened to very widely. It seems to me that we would have been foolish to throw off the Lux Radio Theatre for that, irrespective of its importance. So what we did was to set up another network; and then people have the option of listening either to the drama or to speeches. But if we increased the amount of our commercial programs, we would be faced more often with just such a situation.

Q. I have no settled views in regard to the question of the relationship of commercials to the other types of programs that are put on. I am just trying to get some information as to whether or not the C.B.C. feels that they have gone the limit with respect to commercials; because after all, I am one of the first to realize the importance of the C.B.C. in the field in which it is operating. I certainly think we should not impair it in any way for that. I am only trying to find out whether we have reached the limit of the distance we can go without impairing the other services that it renders.—A. I think we have.

By Mr. Ross:

Q. I should like to ask a question. Is there any co-ordination in connection with the French and English broadcasting? Is there a general policy in broadcasting with the idea of national unity in mind, the idea of creating a better understanding between the various provinces of Canada and so on? You are general supervisor of programs. I suppose the assistant general supervisor of programs has more to do with the French programs that you have. But is there any co-ordination in connection with that, to use the C.B.C. with the idea of getting a better understanding between the French and English in the country? —A. Mr. Ross, I think that was the purpose for which the C.B.C. was created; and I think to a large extent we are fulfilling that purpose.

Q. Can there be improvements made?—A. There can be improvements made in all our work.

Q. What I am trying to get at is this. You do not speak French, of course? —A. I do not.

Q. Do you know the type of French program as compared with the type of English program? That is what I am trying to get at.—A. In a general way, yes.

Q. I think it is very important that there should be a greater amount of co-ordination in this respect. I think the C.B.C. could do a great deal, as a matter of fact. I do not think it has been utilized to the greatest extent it could be utilized.

By the Chairman:

Q. Mr. Bushnell, in your statement you made reference to the number of men you are losing from the C.B.C. who are joining the administrative end of the combatant forces. I presume those men are guaranteed their positions upon return?—A. Yes.

Q. During the time that they are on military service in an administrative capacity, what, if any, remuneration do they receive from the C.B.C.?—A. None.

Q. None?—A. No.

Q. Have any representations been made to the Defence Departments with reference to their taking men who could be used equally as well in the civil occupation of the C.B.C. as you think they can in the administrative end of the Defence Department?—A. I think in individual cases, that is true.

Q. With what results?—A. Well, we have been able to obtain deferments.

Q. You had reference to men who are called up?—A. Yes.

Q. Men who are drafted—A. Yes.

Q. More than the others who had voluntarily enlisted?—A. Yes.

Q. It is a matter of asking for a deferment of their call. How is it, if they are drafted men, that they are in the administrative end rather than the combatant end of the service?—A. Well, what is actually taking place at the present time is this. I must say that we have not encouraged some of our program people to enlist, except for work in the combatant services. The average age of our people is reasonably low and these lads are getting rather frightened

that they are going to be drafted and possibly shoved into the army as privates. A case in point is a news editor in Halifax. He can join the armed forces at the present time as a press liaison officer and I believe get a commission. He is a man with a family. It seems to me—of course, as I say, I may be biased—that in this particular stage he can be quite as useful to the C.B.C. as a news editor as he can be as a press liaison officer.

By Mr. Isnor:

Q. What is his name?—A. Mr. Segee. But all that we can hope for if he stays with us is to get deferment for him; and eventually he will be drafted.

By Mr. Coldwell:

Q. In other words, you regard the C.B.C. as an arm of our war effort?—A. I do.

Q. I think you are right, of course. I think, as a matter of fact, we may have fallen down on that before war broke out as much as any other end.

By Mr. Isnor:

Q. You intimated that producers were very, very scarce. What steps have you taken or what thought have you given to competition between various provinces to produce them?—A. Well, I do not know that we have ever had any competitions. Our source of supply is not large. Producers are born and not made. Some of them can be made; but for the most part, they are born that way.

Q. And developed?—A. And developed.

Q. Rightly or wrongly, those in the Maritimes have always felt that they had a certain amount of ability to produce, particularly with regard to musical shows. I remember occasions when certain programs originated in the Maritimes—and I remember one in particular—that were taken over by the C.B.C. I do not think there was ever any credit given to the source from which that program originated. I mention that because that condition might exist in a good many other sections of the country and among the private stations. That is why I suggested that you might create or develop producers if you gave the matter some thought and created a little spirit of competition.—A. I shall be very glad to take that into consideration. Thank you very much for your suggestion.

By the Chairman:

Q. You said, with reference to the C.B.C. having a publication of its own, that broadcasts could then be given to the public in printed form?—A. Yes.

Q. In the absence of that, does the C.B.C. attempt to carry on any newspaper publicity or talks? Are they printed at all in any of the newspapers or periodicals?—A. If it is of importance or considered by the newspapers to be an important speech, it is quoted.

Q. Would you have that right? Suppose a man gave a talk, and he gave it over the radio. That does not necessarily give you the right to take that down and have it published?—A. Yes. We have that right, as a matter of fact, under the terms of our contract.

Q. You have that right?—A. Yes.

Q. There are just a couple of little points left. How long did you know Mr. Plaunt? There have been comments made upon his report by you.—A. I have known Mr. Plaunt, I should say, for quite a number of years.

Q. How many years?—A. Well, certainly from the days of the old—what was the name of it?

Mr. COLDWELL: The Radio League?

The WITNESS: Yes, the Radio League.

By the Chairman:

Q. You knew, of course, that he had a serious illness during the last couple of years of his life?—A. Yes.

Q. Did you find any difference in his temperament? Was he more irritable or did he tend to be more critical in the last year or so than he was in the former years?—A. In the latter years of Mr. Plaunt's life I did not come in contact with him very often.

Q. Then you would not know?—A. No. I would hesitate to express an opinion on that. He may have been a little shorter at times, but I would doubt it. My relationship with him was always very pleasant.

Q. I was going to suggest that may have been one of the reasons why he was a good deal more critical and irritable than he was in former years. His illness may have had something to do with that, and I thought you might have noticed it.

Mr. GRAYDON: Of course, he may have had more reason to be irritable.

The CHAIRMAN: I knew Mr. Plaunt myself and knew him well. His people came from the same town that I did. I have reason to believe that his criticism of the whole organization in the last year or so of his life was partly brought about by his physical condition.

By Mr. Ross:

Q. I have one last question or two. How do the newspapers get hold of the schedules of programs that you see in the *Globe and Mail*?—A. We send them to them from our press and information department.

Q. You send them to them?—A. Yes.

Q. Does that go out to all the newspapers?—A. Yes.

Mr. COLDWELL: Is Mr. Bushnell coming back to-morrow?

The CHAIRMAN: Do you want him back?

Mr. COLDWELL: There are only a few more questions I wish to ask. Perhaps fifteen or twenty minutes would complete it. I may say to Mr. Bushnell that I propose to ask him tomorrow something about musical programs and what methods are taken to assess them, what reports were made on them and so on and so forth; because from time to time we hear discussions among musicians as to the value of the C.B.C. musical programs. I thought perhaps he could give us some information about all this.

After a short discussion as to future proceedings, the committee adjourned at 1.10 p.m. to meet again on Friday, July 3, at 11 a.m.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

July 3rd, 1942.

The Special Committee on Radio Broadcasting met this day at 11 o'clock. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please: Mrs. Casselman and gentlemen, we have a quorum and we will proceed with the business of the meeting. Our witness of yesterday, Mr. Bushnell, will continue and I think he wishes to answer a few questions that were put yesterday.

Mr. E. L. BUSHNELL, Supervisor of Programs, Canadian Broadcasting Corporation, recalled:

By Mr. Coldwell:

Q. I think I was asking you yesterday about what steps were taken to assess the value of musical programs and so on. A. Mr. Chairman, Mrs. Casselman and gentlemen: I have prepared a few notes on that question.

In reviewing the evidence I do not believe I can add much to what has already been said on this point by the general manager.

Musical programs are assessed in the same manner as dramatic, feature or any other type of programs. We have a supervisor of music, Jean-Marie Beaudet, who is an accomplished pianist and conductor. He has studied with some of the great teachers of Europe. He was a distinguished professional soloist and accompanist before joining the staff of the corporation. He is also a very fine organist. I feel that he is eminently qualified for the position he holds. His supervision of music extends not only to the province of Quebec but to all of Canada.

We also have another distinguished musician on our staff, Mr. Ira Dilworth, regional representative for B.C. I'm not sure that Mr. Dilworth has ever been obliged to make his living by playing any musical instrument or by his conducting of choral groups but I am sure that he could do so without much difficulty.

I make no personal claims as to having a wide knowledge of music but I did make a very comfortable living on the concert platform as a soloist—and a tenor at that, for almost five years. I've sung in nearly every part of Canada and in all but three of the United States. I studied both voice and piano at the Toronto Conservatory of Music and I'm sufficiently conceited to think I know just a little bit about music,—not very much but a little.

Then, too, we employ producers who have been drawn from the ranks of the professional field and it is to them we look for general guidance. Albert Chamberland of Montreal, and John Adaskin of Toronto, are both accomplished musicians in their own right. But we do not rely entirely on our own opinions. We frequently consult with Sir Ernest MacMillan, Dr. Wilfrid Pelletier, Dr. Healy Willan, Arthur Benjamin and others whose eminence in the field of music is unquestioned. When opportunity arises we avail ourselves of the advice of world authorities on music such as Sir Adrian Boult, musical director of the B.B.C. and Arthur Bliss, composer, now also of the B.B.C., Dr. Frank Black of the N.B.C. and others of equal importance who visit us from time to time.

Mrs. Morrison's written reports were referred to yesterday. I can assure you that she does not hesitate to express her views on music programs and I believe she is well qualified to do so. If you would care to hear any more of her comments, I have them with me and I'll be glad to read them to you.

Q. I was going to ask you, Mr. Bushnell, what kind of listener reaction you got. Now, Mrs. Morrison would give some indication of that, of course; do you get numerous letters making suggestions or giving criticisms, both favourable and adverse? A. Yes, we do.

Q. What is the general opinion that you get from these sources? A. I would say that the response as a whole is fairly good. I think we receive slightly more criticism on some kinds of musical programs than on others.

Q. That is, adverse criticisms?—A. Yes. There are a great many people who do not like string quartet programs, we get complaints from listeners about them: and on the other hand when we put on a dance band we have a great many complaints about "that terrible jazz music"—not so much about the quality of the performance itself as about the type of program. I do not think there has been, any severe criticism of the actual performances in any great quantity.

Q. You have been with the corporation for some time, would you be prepared to say that the tone of the letters indicate that there is a wide and better appreciation of good music than there was earlier? A. Oh, indeed, yes.

Q. You think then that the radio has improved public taste for music, shall I say? A. Certainly, and we are trying to keep just a little ahead of what we think the public is demanding.

MR. COLDWELL: Yes, that is right.

By Mr. Claxton:

Q. Your experience shows that the public respond by keeping very close to you?—A. Yes and I think another indication of that is the sale of gramophone records. It is only a few years ago since the recording companies were very much alarmed because of the inroads radio was making into their field, but today I think you can pick up almost any newspaper and find a fairly large amount of space given to advertising records. The recording companies have put out better music, symphonic and string quartet music in series; and I understand there is a large sale for that particular type of recording.

Q. Is it not true that the sale of serious recorded music is to-day at an all-time high, the highest in all of history?—A. I believe that is true.

Q. And very much higher—the peak for dance music reached its high in 1929—it is very much higher relatively?—A. Relatively, yes. And I think another indication is the attendance at symphony concerts, in Montreal, Toronto and Vancouver; they have huge crowds in Stanley Park listening to their Sunday afternoon symphony concerts.

By Mr. Tripp:

Q. Don't let your taste for high-class music get so far ahead of you that you entirely forget to give us some of the lower class stuff too. I think you mentioned the other day the Farmer Fiddlers. I may be wrong but I think they are particularly appreciated.—A. There is no doubt of that at all.

Mrs. CASSELMAN: And don't forget the bagpipes, either.

MR. COLDWELL: The bagpipes are very good if you turn the radio down a little.

The CHAIRMAN: Page Tom Reid.

By Mr. Tripp:

Q. There is another thing which came up yesterday and that is the broadcasting of the police bulletin from Regina and the Old Sergeant—I know

that was adversely commented on by Mrs. Morrison in the material you read yesterday, but I think that is of particular value in the province of Saskatchewan. The Old Sergeant's voice is very realistic and at the end of each police bulletin he includes some pertinent and shall I say pithy advice for motorists, and things of that kind; and one result of that has been that the number of accidents in the province has decreased and crime generally has gone down. I certainly hope you will not do away with the police bulletins; as a matter of fact, I think it would be a very useful thing for you to include a similar program for Ontario and the other provinces.—A. I assure you that we don't intend to take him off, in spite of Mrs. Morrison's opinion.

Q. I should not object to his manner or his voice.—A. Not very strongly.

Q. I really think it might help if Mrs. Morrison would give a little different expression of her views, that might help to correct the situation.—A. I think I gave an answer to that yesterday in a letter written by our regional representative for that area in which it was stated very definitely that he thought the Old Sergeant's voice was an asset for that particular type of broadcast.

Mr. COLDWELL: I agree with him on that.

By Mr. Coldwell:

Q. I was going to ask you something about music appreciation in the schools, that has something to do with this?—A. Yes, very definitely.

Q. And your school programs, so far as the C.B.C. is concerned, should include music appreciation?—A. Yes, and they do.

Q. I know. Did you rebroadcast Walter Damrosch talks to children on music appreciation?—A. We did for some months.

Q. He has been retired now?—A. I believe so, yes.

Q. I wonder if you have had any requests for programs of that description from people in Canada?—A. None that I can recall at the moment. They may start to come in once it is generally realized that Dr. Damrosch's series is not continuing.

Q. What is done by the corporation to encourage the development of Canadian music and Canadian artists to give some original work in connection with your corporation's broadcasts?—A. From time to time as opportunity offers we do commission works; possibly we have not done as much as we should to encourage Canadian musicians, other than in the sense of supplying them with work. We do try to keep them here in Canada. Occasionally we lose a very eminent artist to the United States. I think the best way to keep artists satisfied is to keep their pockets fairly well filled.

Q. That is the difficulty.—A. Yes.

Q. What about the talent that is to be found among the new Canadians in western Canada? I have been quite surprised at times to find somewhere away back on the farm perhaps some rather talented person. Is any scouting done?—A. I am afraid there is very little, other than through the festivals; we usually manage to have a representative at the western festivals. I think we actually need talent scouts.

By Mr. Hansell:

Q. Does the C.B.C. give much encouragement to amateur programs?—A. We have at times. We do not make a regular practice of broadcasting amateur programs.

Q. Of course a good deal of the material that appears on amateur programs is not of a very high order, but occasionally there is something that is very good. A. Our people listen to the amateur programs.

Q. There is station CFCN in Calgary—I don't like to refer to my own locality—but that is the most powerful station and it is the one we usually listen to, and over it they have an amateur hour for children.—A. I have heard it.

Q. Of course there are a lot of children who only use their voice over the air to say hello to mamma and papa; but occasionally you do strike a marvelous young voice.—A. I would like to see some system evolved whereby the C.B.C. could provide scholarships for promising young musicians. I do not think it would be very costly. We might possibly give scholarships to half a dozen promising students each year.

By Mrs. Casselman:

Q. Would it be possible to give winners at the provincial festivals an engagement for a short time on the C.B.C.?—A. Sometimes that is impossible, Mrs. Casselman, because we are not able to pay sufficiently large fees. Let us say a young soprano is a winner in her class and lives one hundred, or maybe two hundred miles away from a broadcasting station; it is very difficult to bring her to the city—the point of origin—and keep her there for any length of time. And then there is another point in connection with these winners of competitions and festivals that I do not think should be entirely overlooked; it frequently happens that their repertoire is not large, they have been schooled in one group of songs and when they get through with that they are pretty well done.

Mr. COLDWELL: I am led to believe that these festivals perhaps sometimes hurt with the development of music. I know of an instance in connection with my own son, as a matter of fact; when he was fifteen he had his intermediate, both theory and practice piano, and he did well in competitions. When he was through with that he went to high school and he said that he was going to give up music while he was in high school; and I do not think he has ever touched it since, he got so tired of playing classical music for festivals and examination work that it just destroyed his desire to continue with good music. I think we can avoid that kind of thing quite readily.

The WITNESS: I agree with you. There is another danger that we are facing in the orchestral field, and that is the lack of younger players who play, shall I say the unusual instruments, such as the oboe and the bassoon. Twenty years ago those men could find employment in theatres. To-day these theatre orchestras just do not exist, and we find it very difficult to obtain the services of younger musicians for playing these unusual instruments because there really is not enough work for them; it is only from broadcasting and the occasional symphony concert that they can obtain any revenue.

Mr. COLDWELL: I would like to see the provinces and the municipalities do something to establish local symphonic orchestras as a matter of fact, I would like to see a national theatre and a national opera house.

By Mr. Tripp:

Q. Is there a union of musicians that might interfere, or does interfere with the employment of amateurs as talent?—A. There is a union, a very strong one.

Q. What is the effect of it on your talent?—A. Well, the C.B.C., as I understand it, has a policy that it cannot recognize the rights of the union to dictate as to who shall or who shall not be used in broadcasting. But it must not be overlooked either that for the most part, so far as orchestral musicians are concerned, 90 to 95 and maybe a higher percentage of the best musicians belong to musical protective associations. Our relationship with the union has been very pleasant.

Q. Do they object to your scouting for amateurs?—A. No. They do not object to us scouting for amateurs.

Q. They just do not like it. Is that it?—A. They do not like us using them too often.

Mr. COLDWELL: You know that the medical profession too does not like chiropractors and osteopaths.

Mr. TRIPP: That does not hurt me. I am not a medical man.

Mr. COLDWELL: Well, the doctor knows that.

The CHAIRMAN: I do not object to them.

By Mr. Claxton:

Q. What is the arrangement when an amateur performs at a broadcasting station of the corporation, with regard to the use of a union employee?—A. An amateur musician cannot play on a program with a union musician. In other words, if we had a union orchestra and wanted to engage a professional pianist who was not a member of the union, we could not put the two together.

By the Chairman:

Q. You cannot box an amateur against a professional either. Is that right? —A. I have had no experience in that field.

Q. So it is only an expansion of the same thing?

By Mr. Claxton:

Q. If an amateur performs, is there any requirement that a union member must be paid during the time of the performance as a standby?—A. I think we have done that on some occasions.

By Mr. Tripp:

Q. Because of representations from the union. Is that it?—A. Yes.

By Mr. Claxton:

Q. And can you put on transcriptions or recordings without any payment to union employees?—A. Yes.

By Mr. Coldwell:

Q. What about copyright?—A. In what respect?

Q. Does that interfere at all?—A. Performing rights?

Q. Yes, performing rights.—A. No. We pay a performing right fee.

Q. For the records?—A. No, not specially for the records. It is all embracing, actually. We have the repertoire of the Canadian Performing Rights Society. We are under contract with them.

Q. Do you pay them a regular yearly fee?—A. Yes.

Q. What does that amount to?—A. Well, I am hardly competent to speak on that because the whole question of copyright is handled by our secretary.

By Mr. Graydon:

Q. Of course you have two branches of the performing right now, have you not?—A. Yes.

Q. You pay two fees?—A. Yes. We pay a very small fee—I should say it was more or less a token payment—to Broadcast Music Incorporated.

Q. That is B.M.I.?—A. Yes.

Q. These two correspond, as I understand it, to A.S.C.A.P.?—A. That is right.

By Mr. Claxton:

Q. The Canadian Performing Rights Society has a repertoire which includes not only A.S.C.A.P. repertoire but also the repertoire of the British Performing

Rights Society. That is so, is it not?—A. Mr. Claxton, you know much more about copyright than I do.

Mr. GRAYDON: Of course, that is not an unusual condition in a committee, I hope.

By Mr. Coldwell:

Q. Does it interfere at all with your work?—A. No; not to any great extent.

By Mr. Graydon:

Q. It is very difficult for the public to understand the basis of the Canadian Performing Rights Society levy. There is one thing more I want to ask before you leave the stand, Mr. Bushnell; I was late in getting in this morning. Have you given any thought or consideration to the question of a high-power short-wave system?—A. I have.

Q. You have heard the evidence which has been adduced here before the committee from time to time, particularly the evidence of Dr. Frigon who spoke very impressively of the urgency of the setting up of a high power shortwave system. What is your opinion, Mr. Bushnell, as to the immediate urgency of that, so far as our dominion is concerned?—A. My feelings have not changed in the last five years. I am very much in favour of it. I think we should have a high-power shortwave centre as quickly as possible.

By Mr. Claxton:

Q. Some doubt was expressed as to the ability of the corporation to provide programs of a standard which was desirable for a shortwave system of broadcasts over sixteen hours a day. Can you express yourself on that?—A. Well, there are difficulties. But I think that a fair proportion of the material ordinarily used for domestic programs could be used on the shortwave station. The great proportion of any shortwave service, as you who listen to shortwave may have noticed, is composed of news and talks, and musical programs are used pretty much as filler. I do not see any insurmountable difficulty, but naturally it would require an expansion of staff. I am quite prepared to admit that we should certainly have some guidance from some department: it might be the Department of National War Services or the Department of External Affairs. But it seems to me that as broadcasters we are reasonably well-qualified to give a satisfactory service.

By Mr. Tripp:

Q. Have you estimated the cost of the service on a yearly basis?—A. Only from the program end.

Q. That is what I mean.—A. Yes. I think \$400,000 or \$500,000 a year would cover it; that is a minimum.

Q. You have not made a real survey of what the cost might be. That is just an estimate?—A. Just an estimate. It depends entirely on what you want to do on the shortwave service. There is actually no limit to it. You could spend \$5,000,000, if you wanted to, on programs.

By Mr. Graydon:

Q. What would you say would be the minimum?—A. The minimum, I would say, is half a million.

Q. That is yearly?—A. Yes.

By Mr. Coldwell:

Q. Have you made any inquiry as to what shortwave stations of that type cost in other parts of the world?—A. No, I have not; other than from

my experience with the B.B.C. It has, as you know, a very elaborate service. I have not the exact figures, but certainly it cost the B.B.C. more than that.

Q. Apparently they pay everyone fees to broadcast?—A. Oh, yes; everyone.

Q. Everybody?—A. Yes. That is their policy.

Mr. GRAYDON: That is all.

The CHAIRMAN: are there any further questions to be asked of Mr. Bushnell?

The WITNESS: Just a word before I leave. Mr. Graydon asked me yesterday if I could let him have a list of names of all members of parliament and cabinet ministers who have spoken over the national network since September, 1939, together with the times and periods they have occupied. I am afraid I was a little optimistic when I said I thought we could let him have this information. To get the lists asked for would involve checking every weekly national program order over the last three years, collating them with correction sheets, and even with station logs. It is a tremendous job. I am sure it would take one clerk at least three weeks.

By Mr. Graydon:

Q. It would not be of any use to us if it would take three weeks, because we hope to have our report in by that time. So far as I am concerned, if it is a matter of so much work, I do not think that the committee are justified in putting the corporation to that expense. It is not possible, I suppose, to give any idea in a general way, in answer to the questions?—A. Well, I would hate to put you to that trouble; but if you care to look back through our statistical reports for the past year, you will find quite a number of them there. But there may be some that have been overlooked. To give you an accurate figure, we would have to search the station logs.

By Mr. Coldwell:

Q. But over the national system you could give us that, could you not? I mean, with respect to nation-wide broadcasts that have been made through the facilities of the C.B.C.—A. We could; but it would still have to go back day by day, because we have not any record of it.

Q. Last year one experimental series of broadcasts was undertaken. The leaders of the three groups in the house were invited to speak. You remember that experiment. Was it successful?—A. Yes; I would say it was.

Q. If it was an experiment, it has not been followed up with any further broadcasts of that type?—A. No. I think, as I recall hearing the evidence, the Board of Governors had something to do with that.

Q. Had they?—A. I think so. Major Murray is more competent to speak on that point than I am.

By Mr. Graydon:

Q. Following up Mr. Coldwell's question there, I think it was either in April or May of last year that the opposition, the C.C.F. and the Social Credit groups were both given time by arrangement on a sustaining basis on the national network.

Mr. COLDWELL: That is what I referred to, Mr. Graydon.

By Mr. Graydon:

Q. Yes, that is the one you are referring to. I understood that was, as Mr. Coldwell stated, intended to be an experiment. If the Board of Governors dealt with that, would there be any minutes with reference to the board's meetings?—A. I do not know.

Mr. TRIPP: Was not that arrangement made by agreement with the leaders of the parties?

Mr. COLDWELL: No. As I remember it, in the letter we were invited, as this was to be an experimental broadcast.

Mr. TRIPP: Did not the leaders of the parties agree to that?

Mr. COLDWELL: Agreed to undertake the experiment, yes.

Mr. TRIPP: Yes.

Mr. GRAYDON: I am not sure that was precisely the situation, Mr. Tripp. The leaders of the parties actually arranged between themselves, so far as the division of time was concerned, and when they would go on.

Mr. COLDWELL: Oh, I see.

Mr. GRAYDON: The invitation came directly through the C.B.C., because I think I represented the Conservative party at that meeting that we had. I think Mr. Lewis represented the C.C.F. and I think Mr. Blackmore himself was present representing Social Credit. We arranged for the times to go on. But afterwards we did not hear anything more about it. We were wondering why. We wondered if the experiment had failed, in what way it had failed; and if it had not failed, why it was not repeated. I think that was a fair question to ask.

Mr. COLDWELL: That is what I had in mind.

Mr. TRIPP: I think Mr. Murray dealt with that in his evidence.

Mr. GRAYDON: I do not think so. It must have been when I was away some time during the sessions of the committee.

By Mr. Claxton:

Q. Do you ever attend meetings of the Board of Governors?—A. No.

Q. Do you ever receive instructions either directly or indirectly from the Board of Governors?—A. Let me qualify that. I believe I was called in to a meeting of the Board of Governors on one occasion.

Q. In what connection?—A. I think it was in connection with staff appointments; new appointments for the program division.

Q. Have you ever received instructions from the Board of Governors with regard to program policy?—A. No. I receive all instructions through the general manager.

By Mr. Graydon:

Q. Getting back again to this experiment of last spring, Mr. Bushnell, did you as program director have anything to do with the arrangement of that?—A. I was consulted about it.

Q. You were consulted about it?—A. Yes.

Q. You mean about the policy to be adopted?—A. No.

Q. Or the division of time?—A. The allocation of time.

Q. I see. The other was not in your hands at all, as I take it?—A. No.

By Mr. Coldwell:

Q. Was Mr. Blankstead in your department?—A. No.

The CHAIRMAN: Is there anything further?

By Mr. Claxton:

Q. Can you say if the financial position of the private stations has improved during the last five years?—A. I think that is a fair statement; yes.

By Mr. Coldwell:

Q. Greatly?—A. I do not see their balance sheets; but from the volume of business they do, I take it that their position has improved.

Q. And by the type of studio they are building and the facilities they are undertaking?—A. Yes. I rather envy them at times.

Q. And by the entertainment that they are providing at their opening functions, too.

By the Chairman:

Q. Do you think, Mr. Bushnell, it would be good business for the C.B.C. to take over the groups of private stations?—A. Well, it would be only a personal opinion; and you can take it for what it is worth. I think some stations could be taken over. I do not think all should be taken over. I think that private stations perform a very useful function in their respective communities.

By Mr. Coldwell:

Q. What is your opinion of the concentration of control of these radio stations in the hands of fewer people all the time? I think one group owned seven or eight stations, we were told the other day, or operated them.—A. Well, for the most part, they are very good operators. I will say that. But I would doubt the wisdom of allowing any group of stations to fall into the hands of a very few. However, that is a matter for the board to decide.

Q. Yes. It is rather outside the program field.—A. Yes.

The CHAIRMAN: Is there anything further? If not, that will conclude Mr. Bushnell's evidence.

Mr. GRAYDON: If I may say so, Mr. Bushnell, you have been an exceedingly good witness.

The WITNESS: Thank you very much, sir.

The CHAIRMAN: Major Murray, I believe you have something to add.

MAJOR W. E. GLADSTONE MURRAY, General Manager of the Canadian Broadcasting Corporation, recalled:

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, if I might just add a word, the full narrative of this whole business of political broadcasting is set out at pages 234 to 237 of the evidence.

I have just a few points arising out of the evidence to which I think it is desirable to make brief reference in order to clear up the record. First, there is another progress report about the development of schools broadcasting. I heard from Mr. Lambert yesterday that Alberta has joined the national scheme. On Friday, June 26, I told the committee that the province of Ontario had agreed to co-operate in the new national plan of schools broadcasting. That brought up to date the evidence already given on pages 341 to 483 of the record of proceedings. I am now glad to be able to say that Alberta's Department of Education has agreed to come in. Therefore, eight of the nine provinces are now included and negotiations will continue with the province of Prince Edward Island.

Now here are some observations of fact which complete the record in the matter of certain references to individuals as commentators, consultants and so on. I am bringing these forward advisedly because these people, in the ordinary way of their livelihood, depend a good deal on public goodwill, and it is desirable that all relevant facts should be recorded.

Now, first of all, the case of Mr. R. S. Lambert; as I read the evidence, there has been no challenge to his authority; what challenge there has been has been to my judgment in using him in the way reported. Nevertheless, to make it quite clear that he is a person of responsibility and a person of very wide experience and indeed distinction I am bringing forward for the record a relevant extract from the 1939 edition of Who's Who, from which also I am able

to correct evidence given before when I was asked specifically if Mr. Lambert had had any experience in the teaching field. I discover here that in 1919 at the invitation of Sir Henry Hadow, of the University of Sheffield, Mr. Lambert was appointed lecturer to university tutorial classes, a position which he occupied for four years, and afterwards became staff tutor for tutorial classes, University of London, 1924, in which case he was performing the function of a teacher of teachers; and as already mentioned, of course, Mr. Lambert was for ten years editor, in fact, the real creator of *The Listener*. Fortunately, afterwards he chose to make his home in Canada.

Now, Mr. Sydney Moseley is a pioneer of both radio and television. I am bringing forward relevant extracts from *Who's Who*, 1939 edition, to set out his background. Since the war began he has been the only British subject to be permitted to broadcast regular news commentaries in the United States. He has travelled extensively in Canada and his broadcast talks here both before and since the war were outstanding successes. Mr. Coldwell asked Mr. Nathanson whether one of Mr. Moseley's talks had been stopped by External Affairs. The fact is that on a visit to Canada from the United States, in June, 1940, in connection with his duties, Mr. Moseley was invited by me to undertake some talks for the C.B.C. One of these included comment on the alignment of opinion in the United States about the war. In view of the very delicate situation—Canada being at war and the United States still at peace—it was my custom, and I think a right custom, to consult Dr. Skelton of External Affairs in an informal fashion on matters of this kind. Dr. Skelton in this case told me he thought that the views expressed in this particular talk would be of more advantage to the Allied cause if expressed in the United States. I agreed with him that if expressed in Canada these views might not only be capitalized by hostile elements in the States, but also their expression on this size of the border might prejudice the continuance of the extraordinarily valuable work Mr. Moseley was doing for our cause in the United States. So, as a matter of common sense, the talk was not broadcast in Canada, but it was broadcast afterwards in the United States in a much more emphatic and forthright manner. A copy of the talk as considered for Canada is here for inspection; but I doubt if the committee would care to have it put on the record.

While discussing Mr. Sydney Moseley, to complete this matter — —

Mr. COLDWELL: I am very glad to hear that explanation because that is not the story I heard given out at all. I am very glad to have your explanation put on the record.

The WITNESS: If you will permit me to complete this part of the discussion, while discussing Mr. Sydney Moseley it is right that I should deal with two rumours that had some currency during his last visit to Canada in 1940. The first was based on the misapprehension that Mr. Moseley was related by blood and political sympathy with Sir Oswald Mosley, leader of the late British fascist party, now interned. The second was that Mr. Moseley was associated with the extreme leftist movement in Britain—so extreme as to suggest subversive tendencies on his part. The truth about the latter rumour also covers the former. Mr. Moseley is not in any way related to Sir Oswald Mosley. Their names are spelt differently. Mr. Moseley in politics was at one time an active member of the British Labour Party and a personal friend of Mr. George Lansbury and Mr. Ramsay MacDonald. It was pure coincidence that Sir Oswald Mosley was at that time a Labour member of parliament. During his association with Labour Mr. Moseley in 1924 stood in the labour interest at Southend-on-Sea in Essex. Although the contest was admitted as hopeless from the labour angle Mr. Moseley's determined stand attracted much interest and the attendant publicity helped create a better general understand-

ing of the domestic policies of the party. Subsequently, as a close student, on the spot, of German affairs, Mr. Moseley was the first prominent British writer to give in the popular press serious and documented warning of the rising Nazi menace. His trenchant contributions to the London Daily Herald had a lot to do with discrediting and ultimately outlawing the British fascist party.

That completes the statement about Mr. Moseley.

Now, as to giving preference to Canadians for work in the C.B.C. there can be no argument. The record of employees, speakers and artists can bear examination in this regard. But I for one do not accept the doctrine that birth outside Canada is a *prima facie* disqualification. When background, ability, and earned eminence are demonstrable, we should not be deprived, I contend, of the services of citizens born in other parts of the Commonwealth. And I may say that I myself have had to move a considerable distance in accepting and applying this practice. There was a time when I was actively identified in British Columbia with a movement to give constant priority in all spheres of activity to native sons of British Columbia. Our motto was not "No Englishman need apply"—it was "Beware the locusts," by which we meant everyone born east of the Rockies. That, of course, was sectionalism at its ridiculous worst for which even the misguided enthusiasm of youth is hardly a justification; I should add we gave the maximum support to the secessionist movement of Vancouver Island at that time. The perniciousness of the doctrine was brought home to me during my twenty odd years on the other side of the Atlantic—during all that time there was not even a hint that my Canadian birth was other than an advantage. It was also not the kind of doctrine that fitted into the role of a professional internationalist—a role I played for a time with the League of Nations. Surely the right policy, and I submit this a considered opinion, and the right attitude, is to make use of the best human material at hand, taking special pride in the fact that, for nearly all our work, Canadian born men and women are the best not solely by virtue of their place of birth, but also, and more important, because of ability, experience and aptitude.

Now, the third personal point to complete the facts on the record.

Mr. COLDWELL: May I just comment there, I am in agreement with you on this point; in fact I would be one of the last to disagree with you because of my own background.

Mr. TRIPP: I thought yesterday you were thinking differently.

Mr. COLDWELL: No. my opinion is this, and I want to repeat it, that we are dealing with an educational system which has certain features of its own. People who understand that system, I think, are more liable to be able to do the type of job we have in mind than somebody who has not any experience in that particular system. That was the point of view I tried to give and the point of view I still hold, as a matter of fact.

Mrs. CASSELMAN: There is something hopeful in what you said just now in that youth does grow out of some of the more violent ideas they have.

Hon. Mr. THORSON: Are you looking at anybody?

Mrs. CASSELMAN: No, I am not looking at anybody at all.

The WITNESS: The next personal point, and this completes that section of my evidence, concerns Mr. R. B. Farrell, whose qualifications as part time consultant and not as a broadcaster were discussed. Mr. Nathanson was asked about this on Tuesday. I would repeat that his services to me from October 1, 1938, to September 30, 1941, were extremely valuable, particularly in connection with the subjects already given in evidence. Fortunately in Mr. Farrell's case there is no suggestion of the taint of English origin! He is a true blue

Nova Scotian, a member of a family well known for public service both in the Maritimes and in Upper Canada. He did indeed have a part of his education in England and Wales, but I understand that a sound Irish instinct protected him from the danger of possible contamination by his environment! As a newspaperman of a wide experience, music critic, and literary critic, a close associate of that great Canadian, Mr. P. D. Ross, and as the possessor of an unusually creditable war record 1914-1918, Mr. Farrell has unique qualifications for the tasks I entrusted to him as part time consultant. As editor of the *Labour Gazette* at Ottawa, Mr. Farrell performed notable public service, establishing close contact with the Canadian labour movement and mediating in many disputes. Although he moves freely among the seats of the mighty, his constant objective is to interpret and serve the interests of the average citizen. So much for Mr. Farrell's suitability as a consultant in the work for which he was employed. As for Mr. Farrell as a broadcaster, recent editorial comment in the *St. John Telegraph Journal* might appropriately be included in the record: I suggest now that in fairness it should be so included. It is a brief article. Also it should be noted that there has appeared in at least one French newspaper, *Le Droit*, the suggestion that Mr. Farrell's talks be given in French on the French network. That completes this observation.

Mr. COLDWELL: I think, Mr. Chairman, I should like to make this comment. Major Murray's sarcasm in regard to Mr. Farrell's Irish instinct protecting him from the danger of possible contamination by his environment at the time of his sojourn in England and his close English association is a little lost on me. I am just going to be very frank and explicit. I do not know what capacity Mr. Farrell was engaged in as consultant, but I have a very firm suspicion that Mr. Farrell's activities were very largely those of a contact man for the management of the C.B.C.

Now, I have been buttonholed myself by Mr. Farrell, who, since this investigation started, has come to my room to endeavour to take the character of people I know away from them, simply because they were critical of Mr. Farrell; and my impression is that the real function of Mr. Farrell in this organization throughout has been that of a buttonholer for the management of the corporation. Now, I say that, and that is one of the reasons I have been asking so many questions about him and his position with the C.B.C.

Mr. SLAGHT: What is a "buttonholer"?

Mr. COLDWELL: You know what that is as well as I do.

Mr. SLAGHT: No, I do not.

Mr. COLDWELL: I noticed whenever I raised criticism of the C.B.C. in the House of Commons I received a 'phone call from Mr. Farrell telling me what a fine fellow I was, and how good the C.B.C. was.

Mr. SLAGHT: If you are criticizing his institution I think it is creditable that he should try to set you right about it. You have a privilege in the House of Commons which you enjoy with the rest of us, and I want to add my comment if I may.

Mr. COLDWELL: May I just comment there, Mr. Slaght, that I was not criticizing Mr. Farrell at that time, I was criticizing the C.B.C.

Mr. SLAGHT: Which was the institution that in my view he has served loyally from the outset. I give him more credit for taking up cudgels on behalf of the C.B.C. with you than I would if he took up his own case. I just want to make one comment if I may. I have not been in this committee as much as I should like to have been, but I have heard comment from time to time which indicated that there is a certain element that did not like Mr. Farrell's broadcasts. It so happens that I have listened to a good many of them and I want to attest that I think they are most excellent.

The WITNESS: Mr. Chairman, I should like to make this comment, that there is no question of Mr. Farrell being a contact man, or for that matter ever having been a contact man. On page 674 of the evidence I said, "He provided for me regular program criticism based on specified listening, and prepared reports and studies especially allocated. These had to do with relations with the press, the content of advertising programs and the handling of controversy." This period was from October 1, 1938, to September 30, 1941. At no time was it part of his duties to be what Mr. Coldwell called a contact man, and any activities of that kind which he undertook were entirely on his own.

Mr. COLDWELL: Just like Mr. Lambert with the president of the University of Toronto.

The WITNESS: Entirely on his own; and with regard to the use of irony in my statement a moment ago I had hoped that it would be accepted as a form of contraction. I think it was said by Swift that it is irony that marks the distinction between civilized man and both his savage forebear and his illiterate contemporaries! If I overstepped the mark I hope Mr. Coldwell will forgive me. I am very sorry indeed.

Mr. COLDWELL: I am usually pretty forgiving but I do not say that I appreciate at all just that kind of irony.

By Mr. Hansell:

Q. During the time that Mr. Farrell was engaged by the C.B.C. was he also engaged by a newspaper?—A. I believe so; I am not aware of what contracts he had.

Q. It may have been that Mr. Farrell in the course of his duties on the newspaper was interviewing other people.—A. Is it your desire that I should proceed to the next question which was asked by Mr. Brooke Claxton? Mr. Brooke Claxton asked me on Friday last, June 26, about C.B.C. talks in the periods September to December, 1939 and 1940. It was suggested that in the second period, that is, from September to December, 1940, the only C.B.C. talks series dealing specifically with the war were those given by Mr. R. S. Lambert and Mr. R. B. Farrell; all the others on the war effort originating from other sources such as Public Information. I am asking the committee to review the lists of national network talks of those two periods. It was also suggested that the C.B.C.'s war effort in the talks field was inadequate. The war effort in the talks field over the whole period has already been set out in the pamphlet C.B.C. Talks and the pamphlet C.B.C. War Effort distributed to the committee at the beginning of its deliberations. The national network war talks of the periods now being dealt with, that is September to December, 1939, and September to December, 1940, are set out in a memorandum, copies of which are being circulated now.

Take the first period, September to December, 1939. The policy and practice with regard to talks have already been explained in considerable detail. With the impact of war, the furtherance of the war effort became the predominant consideration. Nevertheless, it obviously would have been unwise to interrupt those talks series planned under peacetime conditions which could continue in war time, suitably modified, if that were necessary. Therefore, continuity was maintained while special war series were introduced. As time went on and the situation in Europe deteriorated, it became necessary to suspend long term arrangements so that the full facilities of the C.B.C. might be available for emergencies. This policy was continued throughout the time of the absorption of the continent of Europe by the enemy. As already given in evidence, the two series "Canada at War" and "Over the Top" were specially designed to discourage the growth of indifference and the acceptance of the view

that the war was "phoney." In the second period, September to December, 1940: Reflecting the gravity of the war situation, it became increasingly necessary to construct interest in Canada's part and to concentrate attention on the necessity of further effort. The United States correspondents, who have since supplied much first-hand information, were still at work as neutral observers in the various European capitals. Their full story was not available until the C.B.C. presented them in the "We Have Been There" series. The crystallizing of Canadian opinion on the duties of citizenship in democracy found expression in various discussion groups, particularly "Citizens All". The series "Challenge to Youth" was planned in co-operation with the youth training groups of the four western provinces. The problems of democracy in education, housing, economics and public health were discussed in the series "What Do You Think". The series by Arthur L. Phelps entitled "These United States" had a value beyond the ostensible.

Then there was growing specialization. An example of this is in the war effort series for women originating in the last quarter of 1940. There were three of these (a) "Our Knitting Circle", Wednesday, 5:15-5:30, compere Jean Hinds (once a month) (b) "Your War Work" Thursdays, October 3 to November 14, weekly, compere Elizabeth Chisholm (c) "You and the War" weekly, November 8 to December 13, 6:15-6:30, compere E. C. Webster.

If the criticism behind the question is aimed at the absence of war consciousness or creative effort on the part of the C.B.C., it is pointed out that all the programs in the lists being distributed were originated and carried through by the C.B.C. except the following series: and I am now dealing with the last part of 1940.

The series "Let's Face the Facts" was arranged by the Department of Public Information and was scheduled as the presentation of that department; although, of course, our facilities were used.

Speakers in the series "The Need of the Hour" were chosen in consultation with the Senate's War Co-operation Committee. I think the committee will recall that I have already given evidence of being called before the War Co-operation Committee, particularly in connection with the short wave; there, the first point was the high-powered short wave system and the second point which arose during discussions in the committee was that this series, "The Need of the Hour", should be put on; and the Senate committee were extremely helpful in suggesting names.

The propaganda material in the "Legion" series was supplied by the C.B.C. although the series was presented with the special authority of the Legion.

In the first period, that is the four months at the end of 1939, there were 18 special talks and 15 series. For the corresponding period the following year, there were 58 special talks and 12 series, as listed, thus reflecting the practice of greater flexibility in wartime, particularly at this stage of the war when we were facing unknown developments, unpredictable developments.

By Mr. Slaght:

Q. As a matter of curiosity, who is Lotta Dempsey; I see that in that series she gives three?—A. She is a Toronto newspaper woman who does very valuable work for us on a variety of subjects. She is a regular broadcaster and commentator. The practice of greater flexibility was rendered necessary by the conditions of the war. The following 1939 series were resumed in 1940: Weekend Review, Old Country Mail, Voice of the Red Cross and of the Canadian Legion, Citizens All, Challenge to Youth, Among Ourselves. The following new series were introduced in 1940: United States Today, (Raymond Gram Swing and James Minfie), The Engineer in War time, The Need of the Hour, Let's Face the Facts (with Public Information), These United States (Arthur L. Phelps), and What do You Think (discussions).

Now, I would repeat that this statement which I have given concerns only those two periods 1939-1940. For the general picture of developments since then, 1941 and 1942, the facts are given in the pamphlets that have been circulated.

The CHAIRMAN: Are there any questions for Major Murray in connection with this statement?

The WITNESS: May I thank the committee for their courtesy in hearing me further.

The CHAIRMAN: Are there any other questions that anyone wishes to ask Major Murray at this time?

Mr. COLDWELL: Not today, there may be some later on.

By Mr. Claxton:

Q. I understood that you were to give us some information as to the contribution by way of programs which was made by the C.B.C. to private stations, and vice versa.—A. I gave a partial answer and that is in the record.

Q. I may have been away.—A. On the last occasion I gave as full an answer as I could at that time, but I had hoped at that time that the committee would have Mr. Bannerman here and that he would be able to give you more detail about it. I gave all the information I had and it is available in the record.

By Mr. Graydon:

Q. Have you altered your opinion in any way with respect to the urgency, the immediate urgency, of the establishment of a short wave broadcasting system in Canada, during the proceedings of this committee?—A. No.

Q. You are of the opinion that that is a matter of urgency, of national importance, at the moment?—A. I would say of first class national importance.

Mr. GRAYDON: That is all, thanks.

The CHAIRMAN: Anything further? All right, Major Murray, thank you. Witness retired.

Mr. GRAYDON: Could we recall Dr. Frigon on the question of the shortwave station?

The CHAIRMAN: Yes.

Dr. AUGUSTIN FRIGON, Assistant General Manager, Canadian Broadcasting Corporation, recalled:

By Mr. Graydon:

Q. Dr. Frigon, there is still a great deal of anxiety in my mind, and I think in the minds of the members of the committee, in respect to the shortwave broadcasting station situation. When you were before the committee on the 10th of June you gave evidence here which in the opinion of some of us in any event warranted a motion to bring in an interim report of this committee to impress upon the government the urgency of the position we were in relative to the high-powered shortwave system. The committee I think felt that a very definite responsibility had been placed upon them as a parliamentary committee by virtue of the evidence that you gave on that occasion, and without going into the evidence in any detail I would like to repeat one or two questions which appeared on page 380 of our report; at about the middle of that page in one of my own questions I asked you:—

Q. In other words, there was no doubt that the government through the opinion given by the Canadian Broadcasting Corporation officials, including yourself—there is no doubt that the urgency of the matter was brought to the government's attention?—A. Oh, I think that is true.

There is just one point, if I may go back to the situation with regard to transmitters. It is not quite as tragic as was represented the other day. I wonder if you would care for Dr. Frigon to deal with that at the moment?

Q. Yes.

The Chairman: Bring it up to date.

Dr. Frigon: As I said the other day the picture changes every day. We were told yesterday that the R.C.A. were about to start production on some six or eight transmitters.

Mr. Graydon: Shortwave transmitters.

Dr. Frigon: Yes, and they could add two transmitters and could deliver within about ten months provided there would be priority. A1 or A1b priority covering the purchase. That means if within a number of days or weeks an order is received they add those two transmitters to their present production. If we wait until they are too far advanced we may have to wait for another number of months before they start another group of transmitters. That is the way it goes.

Mr. Graydon: How long have we got to put in our order for these transmitters, Dr. Frigon?

Dr. Frigon: Well, I have not received any definite information on that but I would say probably within three weeks or a month.

Dr. Frigon: I do not believe they would be far enough advanced in their production by that time to stop them from adding two more transmitters to the group.

Then, of course, it goes on to elaborate on other matters. Now, Dr. Frigon, my desire to have you before the committee again this morning in connection with this is to know if there have been any other developments or new situations which have come to light with respect to the question of the shortwave broadcasting transmitters about which you spoke on that occasion?—A. No, the situation is the same to-day. I have checked up this morning again and I am told that with an A1A priority they would include two 50 kilowatt transmitters in this group that is going into production in the next few days. They intend to go into production, as I said on the 10th of June, on six or eight transmitters, and they could add to those two other transmitters if we produced a priority A1A.

Q. I see, but I understand that it is a matter of time, is it not? We have to do this right away, isn't that the idea?—A. Yes.

Q. I mean, there is in your opinion, as in the opinion of Major Murray, an element of urgency in respect to it?—A. From our viewpoint, certainly, sir. Mr. Howe said here that if we wanted a transmitter at any time he would get one for us. Now, he has a much larger purchasing power than we have and maybe he has means of getting that; but so far as we know the only manufacturer producing high powered transmitters has told us that if we give them an order for two 50 kilowatt shortwave transmitters they will be able to include them in the new series going into production shortly. Now, whether it is a matter of one day, or a week or more, I do not know. The way they proceed is, you know, they gather material which takes some time and when they have the material on hand they start production. They are about to start production on a group of transmitters; that is, in the United States. If the Minister of Munitions and Supply has some other means of buying transmitters, I do not know of it.

Q. If he has, you do not know it?—A. No.

Mr. GRAYDON: That is all I wanted to ask you.

By Mr. Coldwell:

Q. As far as the minister is concerned might it not be a matter of priorities as well, that would have something to do with it wouldn't it?—A. Yes, we would have to secure an A1A priority to get this order in.

Q. Is that what the minister means in what he said?—A. I gather from what he said that they were prepared to build a station, but to get a transmitter—

Q. Yes, that is what I took.—A. Whether he has other means of getting a transmitter, of getting it from some other country or somewhere else, I do not know. Now, it was also suggested that a transmitter could be built in Canada; that is still possible, I suppose; although I am inclined to think that it would take more time to produce and build.

By the Chairman:

Q. Dr. Frigon, I would call your attention to Mr. Mowe's statement, and point out that he did not say "possibly." He said it would probably be built in Canada.—A. Yes.

Q. That is at page 246.

By Mr. Hansell:

Q. Do I understand, Dr. Frigon, that it would cost about half a million dollars to build this station?—A. Our estimate for two transmitters and three aerials is that it will cost some \$800,000.

Q. \$800,000?—A. Yes.

Q. Then it would cost about half a million dollars a year to maintain?—A. To operate and program the station moderately; without extravagance, of course.

Q. Have you any idea how many shortwave broadcasting stations there are in the United States?—A. Well, if you mean 50 kilowatt stations, there are a number. There were some put in operation not very long ago. This was supplied here by Mr. Rush, I think.

Q. I mean stations powerful enough to reach Europe.

By the Chairman:

Q. That is in Mr. Rush's evidence?—A. Yes. There has been submitted a list of recent locations.

By Mr. Hansell:

Q. I will look that up.—A. I cannot recall the exact number now. There are not very many.

Q. No. Has the same information been given about Great Britain? Does the same evidence apply to Great Britain?—A. I do not recall.—A. I am afraid we do not know very much about Great Britain. We know what has been listed at the international bureau at Berne. That is, we know how many frequencies they have been allotted. I do not know how many transmitters they operate on each frequency and how they use those frequencies. As a matter of fact, in one of the lists supplied, there is only one frequency mentioned for Great Britain; but that is not a true picture.

Q. What I am trying to satisfy my mind on is whether or not the expenditure would be justified at this time. There are evidently some members of our committee, and some of those who have given evidence, who feel very strongly that this should be done as soon as possible. When the discussion first arose in the committee, I think the urgency of it was on the basis that we should put over our message to the axis powers in Europe. What I want to satisfy my mind on is whether or not that expenditure would be justified in the light of the fact that the great democracy to the south of us and Great Britain have

shortwave transmitting stations that can do the same job. What, in your mind, would be the particular urgency of the situation?—A. Well, first of all, you must remember it will take some fifteen months to get this thing operating, at least. What is decided to-day cannot take effect before the end of 1943, possibly.

Q. Granting that there is the time element in it, what would be the particular value of such a station?—A. The particular value would be first of all to get into the international picture, so to speak, and then give us the opportunity to let people know about us. There is a real demand for exchange of views and programs with South Africa, for instance. I do not think we would have difficulty in convincing some South American operators to broadcast on their stations whatever material we could send down to them on our own shortwave stations. If that is of any value to Canada, certainly shortwave transmission is the most economical and most effective way of reaching the people.

Q. There was just one other particular reason I could see, and that was in the interests of foreign trade. That, together with putting over our message to the people of the axis powers, seemed to be the two things that characterized the need for the shortwave station. There is just one other question, and I think it has been answered before. I understand that this would be non-remunerative. It would be practically an unqualified outlay without any income from it.—A. I do not know of any shortwave station—that is, an international shortwave station—carrying any commercial programs now that would bring in revenue. There is a possibility there, of course, which is difficult to estimate. But if the station is operated for Canada, I do not suppose that for some time to come we would want it to be commercial.

Mr. COLDWELL: Is not Mr. Hansell rather over-emphasizing speaking to the axis powers? Do we not really want to speak more to the people under the heel of the axis powers in Europe? And particularly, do we not want to talk to the people in South America?

Mr. HANSELL: I mentioned that. Of course, I do not think a shortwave station here is going to convince Hitler.

Mr. COLDWELL: No.

Mr. HANSELL: And of course I meant the people under the axis regime.

The WITNESS: There are two distinct angles to shortwave broadcasting at the present moment. There is the effect on the course of the war, which I am not competent to discuss at all. I am simply discussing, or I am thinking rather of a station as a publicity medium that can be used by Canada. If we want to be ready when the war is over, we have got to have the thing operating before the war ends. Otherwise, if we only start building after the war is over, we will not be in the field at all.

Mr. ROSS: Is it not just as necessary now that the war is on? Now is the time to do it. There did not seem to be any doubt in the mind of the vice-chairman of the board as to the advantage of a shortwave station. In his evidence he was pretty conclusive that he is in favour of it. He also says that a resolution was sent to the government in connection with it. On page 793 he said, "I believe it has commercial returns far ahead of any other expenditure."

Mr. SLAGHT: Who is that?

Mr. ROSS: That is Mr. Nathanson in his evidence.

Mr. HANSELL: Of course, he did not mean financial returns. I am quite in favour of a shortwave station. I think Canada is in a position to have the best of everything. But, nevertheless, we have to recognize that we are doing this on behalf of the public. We would be taking a million dollars and more of the public's money every year for this. You have to convince the public that it is worth it, that it will be a tremendous asset. Right now the public

are putting up a lot of money. They have to be convinced that it is really worth it.

Mr. GRAYDON: Mr. Chairman, I think Mr. Hansell and many of us are thinking along a little different lines. I am at variance with his opinion as expressed, because I scarcely regard the establishment of a high power shortwave system in Canada at this time as a matter entirely of dollars and cents; because in our war effort it seems to me that the question of dollars and cents—how they are expended, of course, is always important—is not the governing factor. From the evidence that came before this committee, it seemed to me that this was one of the important branches of our actual war effort itself, that it was as important that we should have a high power shortwave system in Canada as it was that we should have many of the other things which are coincidental with the effective prosecution of the war in all its theatres. If it were a peace-time proposition entirely, then of course more consideration might perhaps be given to the argument which Mr. Hansell developed here to-day. But there has not been anyone come before this committee from the C.B.C. who has not dealt with and who has not affirmed the urgency of the establishment of a high power shortwave broadcasting system at this time.

Coupled with that, of course, we have the report of the 1939 committee which met, it is true, prior to the war. In addition, we have the subsequent declaration—which perhaps is the most emphatic, the most impressive, and most convincing of all—by L. W. Brockington himself. He not only pointed out at that time—because the declaration was after the parliamentary committee of 1939—the necessity of setting up or establishing this station, but in addition to that pointed out the disadvantages which Canada had been at because of the fact that she had not taken action sooner in accordance with the wave bands which were granted to her at an international convention.

Having regard to these matters, it seemed to me the proper thing to do when I made the motion here on June 10 to have an interim report of this committee brought before parliament to impress upon the government the feeling that this committee had with respect to the urgency of this matter. I had no idea, Mr. Chairman—it never entered my mind—that we should reach the 3rd day of July without any indication that this move on the part of our committee had really been taken care of. As I said before, there is no desire on the part of anybody on this committee to embarrass the government with respect to this; and I fancy the ministers themselves will not be embarrassed by an interim report coming in, because it will strengthen their hands with other members of the government itself. Nothing, I think, could so impress the government, so convince the government of the immediate necessity of this, as the fact that this committee, which has been in the favoured position of hearing the evidence of men who know whether it is urgent or not, in order to reflect their views as a committee, presented an interim report to parliament. I think that some of those who voted against the submission of an interim report at that time felt that they wanted to hear the ministers; and I think that perhaps to some extent was quite proper. But even after having heard the ministers, and after having listened again to the evidence this morning in which Dr. Frigon himself says he has seen no reason why he should change his opinions, as expressed in evidence on a former occasion, it seems to me, Mr. Chairman, that we should, as a committee, this afternoon submit to parliament an interim report pointing out the urgency of the situation and asking for immediate action. We have only perhaps another three weeks or so before the session ends. It will be at least two weeks before this committee will be able to submit its report to parliament, because next week will be taken up with evidence. It will take some considerable number of days before the actual final report has been approved by the members of the committee, engrossed and adopted and ready for submission to parliament. By that time parliament will almost have risen. I

think we would be derelict in our duty as members of this committee if we were to allow this matter to stand any longer without bringing it forcibly to the attention of parliament and the government.

I should like at this time to take the opportunity of again moving, if I can get a seconder, that this committee, in view of the evidence adduced before it, submit to parliament to-day an interim report pointing out the extreme urgency of implementing the report of the parliamentary radio broadcasting committee of 1939 with respect to the immediate establishment by the government of a high power shortwave system in Canada at once.

Mr. HANSELL: Mr. Chairman, I do not want to be misunderstood simply because I was perhaps putting the brakes on something that had gained momentum. I support a motion of this kind and to show my stand I would be willing to second the motion and urge it in parliament. What I had in mind is simply this: You have to weigh every possible aspect of the matter. The matter was first brought up in this committee on the ground we had a job to do towards the people who were under the nazi heel, and that they should know we had a message to give them and that they should know what we are doing. Then the discussion gradually worked around to the value of a shortwave station in respect to foreign trade. Well, now, almost every witness that we have had, of course, has urged that such a station be erected. It is all very well for us to go on a momentum which increases with every witness and with all the enthusiasm there is to it. Nevertheless, you have to weigh things from every angle. Now, here is the angle I should like to put to you. The government has had to try to get foreign markets for years. Surely they have recognized the urgency of a shortwave station in that connection before now. The war has been going on for some considerable time. Those shortwave bands were offered to us for our acceptance. The government knew that a long time ago. It seems to me that if the matter was so urgent the government would have recognized that or should have recognized that and some action towards that should have been taken. I simply say let us not go ahead because we are enthusiastic about it; let us go ahead with it on a safe and sound process of reasoning and let us remember that we are spending the people's money and Mr. Ilsley is asking them for a lot of it.

Mr. SLAGHT: Mr. Chairman, as I understand it, my friend has seconded the motion so it is a matter open for discussion. I want to record myself as supporting the motion that Mr. Graydon has made and Mr. Hansell seconded. Aside altogether from the war urgency of it—that has been commented on—I should like to put to Dr. Frigon, since he is on the stand, the language that Mr. Brockington used in his report to this committee as constituted in March, 1939. He put half a dozen points in his own inimitable language which I think it might be wise to refresh ourselves on at the moment. You recall that he made a plea in 1938; then again in March, 1939, he renewed it, and I am reading from page 27 of the printed document called "An Account of Stewardship." I am going to read a few short sentences which seemed to me to stand out:—

I may say that Canada, of all the great trading countries in the world, is the one country that is most seriously behind in shortwave development.

Then Mr. Brockington in his statement I think in March, 1939—before I go on with that may I say that I am not sure whether we are the fourth or fifth trading nation of the world.

Mr. COLDWELL: Fourth.

Mr. SLAGHT: Now, his next sentence is:—

From the purely commercial point of view, shortwave stations would give us a most excellent opportunity of advertising the sale of Canadian goods.

Then, over the page, on page 28, he puts it this way:—

You may remember also that when I discussed this matter last year I emphasized, first of all, the possibility of international good-will afforded to a country whose national fabric is drawn from so many strands, and where one of the greatest experiments of reconciliation between nations is taking place under our very eyes.

Then, another point he makes is this:—

I felt, too, and I think I emphasized, that the great strength of Canadian civilization, namely, the equal partnership of two great races, gave us a unique opportunity to interpret not only Anglo-Saxon civilization to the world but also Latin civilization.

And it does seem to me with South America and Central America developing as they are in world affairs that that last reference of his has a deep significance for us to-day. Then, Mr. Chairman, I should like to give one more quotation from the same document. Further along in the same paragraph Mr. Brockington said:—

But we have a legitimate concern in preserving a proper, dignified, national place for ourselves in the field of shortwave broadcasting.

Therefore it seems to me, Mr. Chairman, that on top of the urgency of to-day, those considerations put forward in 1939 by Mr. Brockington make an almost irresistible case; that while the amount of money is large it is in my view relatively small compared to the great benefit that Canada will derive.

Mr. COLDWELL: Mr. Chairman, following Mr. Slaght's very excellent support of this resolution, may I say that if you will turn to page 398 of the evidence you will find as an appendix there a report signed by Mr. K. A. MacKinnon of the Engineering Department of the C.B.C., and a letter from Mr. Donald Manson, Chief Executive Assistant, to Mr. Brockington, and then Mr. Brockington's letter to the Prime Minister in which he gives the reasons for the establishment of a shortwave station. There are six reasons and they all appear on page 401. He speaks of the necessity of maintaining national prestige and points out what has been done in other countries. The second point he makes is international goodwill and observes that Canada alone uses both French and English freely as the two great languages in the country. No. 3 strikes me as being a very cogent reason. He suggests that we might select citizens of European origin who could be permitted to address their homelands. If that was essential in peace time it seems to me it is more essential in war time that citizens of European origin who have settled in this country and who have an understanding of democratic institutions should speak directly of the conditions here and compare them with what they have in Czechoslovakia and Poland or somewhere else. They could speak to their homeland across the sea. Then he goes on to speak of the cultural uses. He points this out that the Accession Proclamation was broadcast by himself and Mr. Lapointe to Canada and the world, in both English and French. He says:

It had to be carried to England on a point-to-point beam at a cost of \$10 a minute.

There may not be revenue always but perhaps there might be saving. And he goes on to say it is a question of national advertising. He says:—

I am advised that some \$350,000 per annum is being spent in England alone to advertise Canadian goods.

Canadian goods could be advertised over the shortwave. I do not mean to use it as an advertising medium, but the shortwave would be useful in that

connection. Then he makes one additional point which I think is worthy of consideration. He says that the shortwave could contribute to a better understanding between the two main races in this country. I think that is a very good summary of the arguments in favour of it. As I say, this is all in a letter to the Prime Minister dated October 26, 1937, so this subject has been under discussion for a very long time.

Mr. CLAXTON: May I say a word in support of the general statements that have already been made and add one remark that has not been mentioned yet to-day but it has come up before in the committee, and that is this: to-day Canada has well over 100,000 of her sons abroad in England and in Newfoundland, and perhaps some in the West Indies and Alaska. We do not know where they will be before the war is over; if we can get shortwave working in time it would be a most valuable supplement to the ordinary contacts that these boys have with their homeland. I have received myself from Newfoundland from important sources there an urgent plea that everything possible be done to improve our broadcasting service in Newfoundland because it is only at times that they can hear the ordinary medium Atlantic stations. It is suggested that a shortwave station might be of very great use there, and it also could reach our soldiers in England. It will undoubtedly facilitate—I think it has been said before in essence—the exchange of programs in the countries where our troops are serving. For these additional reasons, as well as all the others that have been mentioned, I am very strongly in favour of having a shortwave system just as soon as we can possibly get it.

One question has arisen which is interesting, and that is whether or not we should proceed to-day with this interim report. It has been suggested that we should make this part of our report to the house which should be in shape to present next week or two weeks hence. What advantage there is in putting it in to-day as an interim report over waiting to make it a part of the main report I am not sure, and have not been convinced by Mr. Graydon, although he has given a good deal to support his submission.

Mr. Ross: I think there is great advantage in doing it to-day over waiting until we bring down our full report. We go back to 1939 and the recommendation that was brought in in the midst of all the rest of the reports evidently has not been acted upon although it was urged in the strongest terms by Mr. Brockington. I think by bringing in an interim report at this time it will be brought more forcibly to the attention of the government than the other way. I agree with the reasons which have been given for it. I have expressed myself enough here along these lines, but I wish to say one more thing, and in this respect Dr. Frigon can correct me if I am wrong. I understand that before the war Germany was sending shortwave receiving sets to South America for the very purpose that they would be able to broadcast from the continent of Europe to the nations of South America. We all know that they are bombarding those countries down there with their own propaganda, and Mr. Nathanson recognized that fact in his evidence when he said:—

Well, in answer to that, Mr. Chairman, I would point out that recently the American government have seen fit to ask the networks in the United States, particularly Columbia which has just cleared a very large broadcasting station for South America, to evaluate the South American outlet. I think Canada should be better known and could be better known and could build up goodwill through the use of the proper shortwave station. Everybody knows it is being done by the countries of Europe, and by the United States; and we do it in a secondary way with the station we created ourselves. I believe it has commercial returns far ahead of any other expenditure.

And I think, in view of the urgency of the matter and the difficulty we might have in the future of obtaining the apparatus, we would be derelict in our duty if we did not take some action by way of forcibly bringing it to the attention of the government.

Mr. GRAYDON: Might I make a suggestion, with Mr. Claxton's consent and approval. I do this to enlist further support for my motion. I think that Mr. Claxton's remarks here will be clarified, so that his meaning will be thoroughly understood, by reference to page 390 of the committee's report when a motion, dealing with a similar matter but not in the same words, was before the committee. Mr. Claxton made a statement which I thought was an exceedingly good one, and I thought perhaps it should be brought to attention again. He said:—

Mr. Claxton: However, I think there is this to be said. If the committee is in favour of having a shortwave transmitting system, it would be a most valuable thing to put this view, as Mr. Graydon has suggested, in the form of an interim report.

The Chairman: I think so.

Mr. Claxton: So that it is not left until the last days of the session.

The Chairman: Yes.

I just wanted to clarify that, because I just did not get clearly what Mr. Claxton's point was this morning. I know that is what he meant because it was very clearly put in his previous evidence.

The CHAIRMAN: As the matter stands, of course, the policy that was adopted at that time was to wait until we had had the evidence, or a statement from the two ministers concerned. They have, since that time, appeared before the committee; and the matter has stood there because of the fact that it has not been brought up afresh by any member of the committee. It appears that it is not so much a matter of unanimity in the committee as to the advisability of establishing a high-power shortwave system as it is a matter of impressing on the government the urgency, by means of a report at this time. Is there any further discussion of the motion

Mr. COLDWELL: I think a report might be made, because it would be made to stand out. My understanding of the situation is that we may finish our work within the next week or ten days, although there is no guarantee of that. If that report comes in around the end of the session,—on the last day, or two or three days before the end of the session,—we shall probably be meeting mornings, afternoons and evenings. You know how reports are dealt with then; they are just placed on the table and there is no discussion of them. I think it would be a good thing if we were to report at once, and in that way make it stand out as clearly as possible.

Mr. TRIPP: May I suggest that this matter be referred to the government and not to the house. I hesitate at this time to introduce into the house a subject which might prolong discussion there and prolong the session. I think we are all anxious to get home. I think we could do it just as well by sending it to the government, instead of to the house.

Mr. SLAGHT: I would not think so.

Mr. GRAYDON: We had this matter up before, and I spoke of submitting it to council. I am inclined to agree with what Mr. Slaght says, because this is not a committee of the government; it is a committee of the house. We have no right to do more than refer to the creator of our powers the report that we make. In addition to that, may I say to Mr. Tripp that this was submitted to the government under an arrangement made on June 10th. The chairman was empowered, through that first motion about which you have

heard—when the motion did not carry to submit—an interim report to parliament—to interview Mr. Thorson and Mr. Howe, as representing this committee, and to convey the feelings of the committee on this particular subject. Might I also say, in answer to Mr. Tripp on another point, that this does not involve a debate in the House of Commons. There is no opportunity, as a matter of fact, unless concurrence in the interim report is moved in the house, when, of course, a debate might develop. It is a matter entirely of the committee reporting back to its parent body, the House of Commons, and leaving it there.

The CHAIRMAN: I may say to Mr. Tripp that the committee is a creature of parliament; and according to our order of reference it says, in part, to report from time to time their observations and opinions. So that any report which we make would probably be to parliament rather than to the government.

Mr. TRIPP: That is quite all right, Mr. Chairman. I had no intention of suggesting any other course.

The CHAIRMAN: Is there any further discussion of the question?

Mr. HANSELL: There is just one question which I should like to ask Dr. Frigon.

Mr. HANSELL: On page 428 of the record Mr. Howe is giving an opinion in respect of the responsibility of the government in this matter. Mr. Howe says:—

Well, of course, people have the idea that this broadcasting station would advertise our wheat and we could issue propaganda there by voice and we would have a large listening audience. I do not think that is true. I think that the only way we would get a listening audience is by putting on the type of program that would compete with the type of program we have from other capitals such as London and New York, which have very fine musical programs and programs of real entertainment interest.

Would you agree with that, Dr. Frigon?—A. I do not think we get very many entertaining programs from Europe at the present moment. I do not hear of any concerts or programs of entertainment from those stations nowadays.

Hon. Mr. THORSON: Nor is the matter disposed of by merely the number of direct listeners to a shortwave station.

Mr. COLDWELL: Question.

Mr. ISNOR: Mr. Chairman, perhaps I should not take part in this discussion, as I missed the greater portion of it. But I have been a fairly regular attendant at the meetings of this committee, and I have followed this question in the previous committees. I question whether the statement made by Mr. Ross is correct, as to the commercial returns or value of a shortwave system.

Mr. Ross: The statement was made by Mr. Nathanson.

Mr. ISNOR: But read by Mr. Ross. The amount involved, if I remember rightly from previous minutes, was roughly \$800,000. The maintenance cost would be around \$500,000 annually. With an expenditure such as that involved, I hesitate at the present time to recommend, without further consideration, that this be placed before the government. As I said in opening, I hesitate to vote on this, not having heard the full discussion today. But those are my views, and I felt that I should express them before the vote was taken.

Mr. HANSON: Question.

The CHAIRMAN: Are you ready for the question? The motion of Mr. Graydon is practically to the effect that this committee, in view of the evidence adduced before it, submit to parliament an interim report pointing out the extreme urgency of implementing the report of the parliamentary radio com-

mittee of 1939 with respect to the immediate establishment by the government of a high power shortwave broadcasting centre in Canada.

Mr. CLAXTON: The motion does not state any time in which the report is to be submitted. Would Mr. Graydon agree that the report should be drafted and submitted to the committee in final form, let us say, on Tuesday?

Mr. GRAYDON: Actually I think my wording, when I first submitted it, was "today"; but I can readily realize that there are difficulties perhaps in the way. I think Tuesday would be all right.

Mr. SLAGHT: Make it "forthwith." "Forthwith" could be understood to be Tuesday.

Mr. GRAYDON: Yes, not later than Tuesday. I think that should be understood.

Mr. CLAXTON: Then I think we are to have a meeting of the steering committee. We might put it into form and submit it to the committee on Tuesday.

The CHAIRMAN: All right.

Mr. COLDWELL: Is it necessary to come back to the committee again? I thought that would dispose of it.

Mr. GRAYDON: A couple of lines is all that you need.

The CHAIRMAN: We will probably have a meeting on Tuesday morning, and it would be dealt with at that time. Those in favour of the motion? Opposed?

Motion agreed to.

The CHAIRMAN: Are there any further questions to be asked of Dr. Frigon?

Hon. Mr. THORSON: I might suggest this. I did not say anything on the subject because I wanted the committee to be perfectly free so far as I was concerned. But I do suggest, now that the motion has carried, that the recommendation be drawn with as great care as possible and as strongly as possible. I think possibly a drafting committee might be appointed for the purpose of drawing the recommendation, and then submit it to the committee at its next meeting on Tuesday. The drafting committee might consider whether it would like to assign reason or not. I do not know whether that would be desirable or not. If there is an assignment of reasons contained in the recommendation, perhaps this would help. I attempted to gather together practically all of the reasons that had been given for the establishment of a shortwave broadcasting system when I appeared before the committee. It seems to me they are pretty well stated there; they are referred to in Mr. Brockington's letter, and they have been dealt with by members of the committee here.

The CHAIRMAN: Are there any further questions which you wish to ask Dr. Frigon?

Mr. CLAXTON: May I just suggest that there is a difference in the reports of the committees of 1938 and 1939.

Hon. Mr. THORSON: I pointed that out.

Mr. COLDWELL: Do you not think we had better drop the reference to the reports of the previous committees and simply take the responsibility ourselves?

Hon. Mr. THORSON: You can make reference to the fact.

Mr. CLAXTON: There is a difference in the actual recommendation.

Hon. Mr. THORSON: There is a very important difference. I pointed that difference out.

Mr. SLAGHT: Why do we not drop the recitals of previous committees and deal with it strongly in our own language now? If the matter was adopted, of course, those would be proper subjects to bring to attention in a debate.

Mr. GRAYDON: I would quite agree with that.

Hon. Mr. THORSON: Somebody ought to be assigned to the drafting of that report and recommendation. I throw that out as a suggestion.

Mr. CLAXTON: Would the steering committee undertake that?

The CHAIRMAN: I think so. Would it be the will of this committee that the steering committee or agenda committee take under consideration and draft the report which will be submitted with reference to this question?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: The steering committee consists of Mr. Claxton, Mr. Fournier, Mr. Coldwell, Mr. Graydon, Mr. Hanson, Mr. Isnor, Mrs. Casselman, Mr. Hansell and the chairman.

Mr. COLDWELL: That is a fairly large committee to draft something. I was wondering if it would not be just a committee of three consisting of yourself, Mr. Chairman, and we will say Mr. Claxton and Mr. Graydon.

Mr. GRAYDON: I am willing to leave it to Mr. Claxton, Mr. Coldwell and yourself, Mr. Chairman.

Mr. COLDWELL: Just a minute. The reason I suggested Mr. Graydon was that I had been pretty faithful in my attendance at these meetings. I am terribly busy and really have not the time to spare.

Mr. GRAYDON: I am quite willing to serve.

Mr. ISNOR: Why not leave it to the steering committee and they in turn could appoint a subcommittee?

Mr. GRAYDON: They could do that.

The CHAIRMAN: Is there any motion? If not, the chairman will have to act.

Mr. TRIPP: What have we done this morning? Have we passed a motion that is not drafted yet?

The CHAIRMAN: No. We have passed a motion to the effect that an interim report will be presented to parliament urging action with reference to the matter that was under discussion. The drafting of that report is a matter of further detail, and whether or not that is to be left to a specially appointed committee, appointed for that purpose, or to the agenda committee is a matter for this committee to decide.

Mr. CLAXTON: I move that the report be drafted under the direction of the agenda committee and submitted to the committee at its next meeting on Tuesday.

The CHAIRMAN: Is that seconded?

Mr. HANSON: I will second it.

The CHAIRMAN: You have heard the motion of Mr. Claxton, seconded by Mr. Hanson. Is that the will of the committee? All in favour?

Motion agreed to.

The CHAIRMAN: This committee will stand adjourned until Tuesday, July 7, at 10.30 a.m. I should like to have a meeting of the agenda committee at their convenience, either immediately following this adjournment or at some future time. The matter to come before the agenda committee is with reference to what further witnesses the committee desires to have before it.

Mr. GRAYDON: It is only a matter of five or ten minutes?

The CHAIRMAN: Yes.

Mr. GRAYDON: We might as well do it following the adjournment of this committee.

The CHAIRMAN: Very well.

The committee adjourned at 1.10 p.m. to meet again on Tuesday, July 7, at 10.30 a.m.

APPENDIX A

Extract from Who's Who, 1939 Edition

RICHARD STANTON LAMBERT

Richard Stanton Lambert, M.A. Editor, *The Listener*, since 1929 to 1938; b. 25 Aug. 1894; s. of Richard Cornthwaite Lambert and Lillian Lambert, London; Educ: Repton; Wadham College, Oxford (classical scholar). Joined staff of *The Economist*, 1916; served with the Friends' Ambulance Unit, 1916-1918; *Lecturer to University Tutorial Classes, Sheffield, 1919; Staff Tutor for Tutorial Classes, University of London, 1924; Head of Adult Education Section, British Broadcasting Corporation, 1927; Member of the Commission on Educational and Cultural Films, 1929-1933; Member of the Governing Body of the British Film Institute, 1933; Vice-Chairman, British Institute of Adult Education, 1936.* Publications: *The Prince of Pickpockets, 1930; A Historian's Scrapbook, 1932; The Railway King, 1934; When Justice Faltered, 1935; (jointly with Harry Price) The Haunting of Cashen's Gap, 1935; The Innocence of Edmund Galley, 1936; Chapter on Educational Films in Footnotes to the Film, 1937; The Universal Provider, 1938; Propaganda, 1938; edited (jointly) *Memiors of the Unemployed, 1933; For Filmgoers Only, 1934; Grand Tour, 1935; Art in England, 1938; translated and printed Vida's Game of Chess, 1921, Walafrid Strabo's Hortulus, 1923, and Plays of Roswitha, 1922-23; edited and printed Sir John Davies' Orchestra or a Poeme of Dauncing, 1922.**

APPENDIX B

Extract from Who's Who, 1939 Edition

SYDNEY ALEXANDER MOSELEY

Sydney Alexander Moseley; author and journalist; Radio critic, *Daily Herald, People* and other weeklies; Chairman and Managing Editor, Television Press, Ltd.; Founder and First President Broadcast Critics Circle; b. London, Mar. 1888; married. Began journalism in London; joined staff, *Daily Express*, 1910; edited first English daily published in Cairo, where he conducted a world-wide campaign against the Capitulations, 1913; also edited other English weeklies in Egypt, and was Cairo correspondent of the *New York Times, Paris Daily Mail, Central News, London; MS. of book, With Kitchener in Cairo, seized by Egyptian Government during author's absence in Europe, 1914; University of London, O.T.C., August 1914; official correspondent with the Mediterranean Expeditionary Forces, 1914; wrote first book on Dardanelles Campaign; on obtaining military discharge, obtained commission in the R.N.V.R., attached to the Commander-in-Chief, Coast of Scotland; originated new type of local journalism by founding and editing Southend Times; contested Southend-on-Sea as Labour's first candidate in 1924; instrumental in obtaining broadcast of television in England; was first to broadcast speech and vision simultaneously; first radio critic; has broadcast criticisms on films, books and plays through the B.B.C.; has been special correspondent of *Daily Express, Evening News, Sunday Express; has contributed to Encyclopaedia Britannica, Cassel's History of the Great War, Harmsworth's Universal Encyclopaedia, New Encyclopaedia (Cassell's); investigated British prison system with official sanction, also the Borstal institutions, writing the only book extant on the subject; conducted three enquiries into the claims of spiritualism; also national campaigns against certain social evils.* Publications: *With Kitchener in Cairo, 1917; Truth about the Dardanelles, 1916; The Fleet from Within, 1919; An Amazing Seance and an Exposure, 1919; Night Haunts of London; Haunts of the Gay East, 1920; A**

Singular People, 1921; The Much Chosen Race, 1921; Love's Ordeal, 1923; Brightest Spots in Brighter London; The Mysterious Medium, 1925; New Light Side of London, 1926; Truth about Borstal, 1926; The Convict of To-day, 1927; 1927 Money-Making in Stocks and Shares, The Small Investor's Guide, 1929; Television To-Day and To-Morrow, 1930; Short Story Writing and Free-Lance Journalism, 1928; The Truth about Journalism, 1931; Who's Who in Broadcasting, 1932; Broadcasting in My Time, 1935; Founded Liberty Press Ltd., 1934; The Truth about a Journalist, 1935; Television for the Intelligent Amateur, 1936; The First 100,000 pounds, 1936; The Case Against the Stock Exchange, 1937; Russia Without Prejudice, 1937; Hampstead to Hollywood, 1938; Simple Guide to Television, 1938; Capel Court, 1939.

APPENDIX C

AN UNWARRANTED ATTACK

Saint John, N.B., Telegraph-Journal

One of the most popular programs on the national network of the Canadian Broadcasting Corporation during the last two years or so, measured by the yardstick of listener response, has been the feature, "Between Ourselves", a commentary on the events of the week, presented by Mr. R. B. Farrell, of Ottawa, every Sunday. In a column entitled "Radio Reporter", produced in Hamilton, Ont., and published in a number of Ontario newspapers, the following appeared recently:

During the past four months Mr. Farrell has received more than 25,000 letters from listeners. These came from all parts of the continent from the Northwest Territories and the Yukon to below Canada's southern borders—from housewives and archbishops, from soldiers and other members of the fighting forces—a large number came from the United States although American networks do not carry Mr. Farrell's talks.

In view of these facts, the recent criticism of Mr. Farrell's talks, voiced before the Commons radio committee by Mr. M. J. Coldwell, C.C.F. House leader will carry little weight. Mr. Farrell's broadcasts will continue to interest his large circle of listeners, despite Mr. Coldwell's attack, because of the quality of their content and the excellent manner of presentation.

With regard to great listener response which Mr. Farrell has received, it is interesting to know that a recent check-up shows that his talks have been particularly popular in the Saint John area, the "fan mail" from this district being frequently greater, on a population basis, than from any other radio zone in Canada. An idea of the worth of his talks can also be gleaned from the comment on Mr. Farrell's broadcast tribute to Bobbie Burns by the president of St. Andrew's Society in Saint John, who declared that it was the finest tribute to the Scottish bard he had ever heard, and that it was particularly notable, coming as it did from a man of Irish descent.

Mr. Farrell is a native Maritimer, son of the late Hon. Edward Farrell, M.D., of Halifax. He was educated at Ampleford College, Yorkshire, England, and at Dalhousie University, and served throughout the Great War, first with the Royal Canadian Navy, and for the last two years as an infantry officer in France and England. He has travelled widely, and he brings to both radio and newspaper work the value of broad knowledge and experience.

For more than four years Mr. Farrell has been a regular commentator on the C.B.C. networks, and his many friends and admirers will hope that his valuable and interesting series will continue to be a feature on the air for some time to come.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 17

TUESDAY, JULY 7, 1942

WITNESSES:

Mr. Jean-Charles Harvey, Montreal, P.Q.
Mr. Carl M. Lewis, Toronto, Ont.
Mr. Harry Silverberg, Toronto, Ont.

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

HOUSE OF COMMONS

TUESDAY, July 7, 1942.

The Special Committee on Radio Broadcasting begs leave to present the following as a

SECOND REPORT

Special Committees of this House on Radio Broadcasting in 1938 and 1939 reported in favour of the establishment of a high power shortwave broadcasting service. It was then felt that this should be financed as a national undertaking but operated and controlled by the Canadian Broadcasting Corporation as an integral part of its system. The war and the increased importance of short-wave communication led your Committee to review the whole subject in the light of the information previously available and of new information placed before it.

The reasons in favour of the establishment of a shortwave system in peace time were given in a letter dated October 26, 1937, and addressed to the Prime Minister by L. W. Brockington, K.C., then Chairman of the Board of Governors of the C.B.C. The reasons he gave are summarized here: Broadcasts over high power shortwave would (1) increase the knowledge and standing of Canada abroad; (2) promote international goodwill, particularly as Canada is the only country in which two world languages, English and French, are used freely and widely; (3) put us in direct communication with European countries; (4) improve cultural relations through broadcasting the work of our own musical organizations and events of national significance; (5) publicize Canada's products and indirectly promote their sale; (6) protect national radio rights as use is necessary to consolidate a right to the exclusive occupation of a shortwave frequency; (7) broadcast in French to French-speaking people in Canada who live outside the range of the French network; and (8) facilitate exchanges.

Similar reasons have led most countries in the world to establish high power shortwave systems as part of the essential equipment of a nation. Such reasons apply with special force to Canada as one of the great trading nations of the world, founded by the people of two races, having close ties with British and other countries, and desiring closer ties with them.

The reasons for the establishment of a shortwave system in Canada were compelling enough before the war to lead two parliamentary committees and the Board of Governors and officers of the C.B.C. to express themselves in favour of it. The outbreak and course of the war have powerfully reinforced such reasons. Only a few allied broadcasting stations now reach enemy and occupied territory. A Canadian service would strengthen and supplement the existing British and American services. It would be particularly valuable if a British shortwave station were damaged. It would assist the cause of the United Nations in South America. It would supply the United Kingdom and other countries with information about Canada and the national war effort. It would bring their country and their homes closer to Canadian sailors at sea and Canadian forces abroad. Important as such a service would be during the war, it would also be of the greatest possible usefulness in establishing new areas of understanding, good will and trade after the war.

These and other reasons would have led the Committee to emphasize in its final report the vital importance of proceeding with this project at the earliest possible moment. But the Committee was informed that it was from

day to day becoming more difficult to obtain equipment; that even with the highest priorities, it might take more than a year to put such a service in operation. The Committee considered it desirable to bring the matter forward in this report in view of the genuine urgency of proceeding with this project without delay. Figures were put before the Committee to show that a 50 k.w. shortwave station might cost \$800,000 in capital outlay and that the annual expenditures for operation and programs might amount to \$500,000. It is hoped that these estimates may be found to be unnecessarily high, but even if they are not, your Committee regards this matter as of such importance as to recommend to the Government that it proceed with the project immediately. The Committee goes further to say that in its opinion the national interest requires that it be set under way at once.

Accordingly your Committee recommends that a high power shortwave station be erected and equipped and service established at the earliest possible moment, to be owned and financed, as to installation, operation and maintenance, by the Government and operated by the Canadian Broadcasting Corporation.

All of which is respectfully submitted.

JAMES J. McCANN,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, July 7, 1942.

The Special Committee on Radio Broadcasting met at 10.30 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Douglas (*Queens*), Graydon, Hanson (*Skeena*), Hansell, McCann, Rennie, Ross (*St. Paul's*), Slaght, Telford, Thorson, Tripp and Veniot—15.

In attendance:

From the C.B.C.: Messrs. Murray, Frigon, Manson, Bushnell, Radford, Brodie, Jean-Paul Masse, Miss Belcourt and Mr. Jean-Marie Beaudet, Director of programs for the Province of Quebec.

Mr. Jean-Charles Harvey, Editor of *Le Jour*, Montreal Que., was called and examined.

The witness read a statement concerning C.B.C. commentators over the French network and certain broadcasts. He quoted several newspaper articles in French, the translation of which appears following each article in to-day's evidence.

The Committee then proceeded in camera to discuss the Agenda Committee's report relating to the establishment of a high power shortwave broadcasting system in Canada.

On motion of Mr. Claxton,—

Resolved,—That the report of the Agenda Committee submitted this day be adopted as the second report to the House.

The Committee adjourned until 4.00 p.m. to hear Messrs. C. M. Lewis and Harry Silverberg of Toronto.

AFTERNOON SESSION

The Special Committee on Radio Broadcasting met at 4.00 p.m. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Douglas (*Queens*), Graydon, Hanson (*Skeena*), Hazen, Isnor, Hansell, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Slaght, Telford and Tripp—16.

In attendance: The same as appeared at the morning sitting.

Mr. Carl M. Lewis was called. He read a prepared statement and was interrogated.

Witness was discharged.

Mr. Harry Silverberg, a former employee of the C.B.C. was then called and questioned. Witness was discharged.

The Committee agreed to hear Messrs. Pickering, Bannerman and Buchanan at the next meeting.

Discussion followed.

The Committee adjourned until Thursday, July 9, at 11.00 a.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429,

July 7, 1942.

The Special Committee on Radio Broadcasting met this day at 10.30 a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. Mrs. Casselman and gentlemen, we have a quorum and we will proceed with the business of the meeting. We propose to-day to have as witnesses Mr. Harvey, editor of *Le Jour*, Mr. Lewis and Mr. Silverberg. I will first call upon Mr. Harvey.

Mr. JEAN CHARLES HARVEY, called.

The CHAIRMAN: Mr. Harvey, it has been the wish of the parliamentary committee investigating the C.B.C. that you appear before the committee. The procedure which we have been following is that the witnesses shall make a statement with reference to probably his likes or his dislikes as to the C.B.C., and of the criticism he has to make of it. With that, we invite any suggestions which you may make or may wish to make for the benefit of this public institution. I think, if it is agreeable to the committee, we shall invite Mr. Harvey to make a statement and at the end of that statement he may be questioned by any member of the committee.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, for several years I have devoted my time and my energy to the cause of Canadian unity, because I do not think that we can build a great, powerful and happy country if we cannot establish friendship and good understanding between the two national elements living side by side in Canada. Since the war broke out in 1939, I have done my best to promote the democratic principles for which we are fighting to-day. I think that all our minds, our hearts, our resources and our means of propaganda should be entirely devoted to our war effort. I am one of those who is entirely convinced that life is not worth while living without freedom.

I am not convinced that the C.B.C. has made a consistent effort to promote Canadian unity. When the state control over the radio was established, our hope was that the state network would first of all be employed as a means of unification and national education. Some people think that we have failed to do so. Some of the main objects of the radio are recreation, art, information and education. As for the first three objects, the C.B.C. has made great progress during the last five or six years. I must say they have done a great and good effort in improving our radio all over the country. Everybody will admit that. As for education—and by education I also mean propaganda—our network may have been at times inferior to its task. Every day we have felt the need for more understanding and sympathy between the races in Canada. That fact is well known by all those who have at heart the future of our country. Therefore, I cannot understand very well why the most brilliant and talented of our people, both on the English and the French side, have not been put to work to create good Canadianism from coast to coast.

As for our war effort, we may question if the C.B.C. has had any consistent policy or efficiency. If we look at the results, we have the impression that the war broadcasts, though they have been very numerous, have failed to

"sell" the war and democracy to the people of the province of Quebec especially. During the two first years of the war, the information of the C.B.C. may have been conducted in such a way that some broadcasts—I say "some broadcasts"—could have often originated from a neutral country. It is only after some criticism—constructive criticism—from different quarters, even from us, that there was a slight betterment. Even now, we can say that the war propaganda of the C.B.C. is not yet organized as it should be.

I did not come here as an accuser. I do not think either that the directors of the C.B.C. are disloyal, but rather that they are some of our best citizens and they have no more sympathy than myself for the enemies of our country. Everybody is sure of that. What I want to point out is that there seems to be, in our radio organization, at times, a lack of solid democratic principles and an apparent incompetency in dealing with ideas and proper propaganda. In the most interesting declaration, and the very useful one, which he made before this committee, Dr. Frigon has told you that he does not like the word "propaganda." It is true that the word "propaganda" has been used very badly during a certain period, but I do not know what is wrong with that word. It is the only one appropriate in a time like this when we must propagate the ideas and principles for which we are fighting. Information as to facts deals only with current events and it is a fundamental service at all times; but a mere exposé of facts would not be sufficient to carry conviction into the hearts and minds of the people. If we do not know how to interpret the facts according to the ideals of our democratic world which is struggling against the totalitarian regime and forces of enslavement, we fail in our mission, because we do not give to the people any good reason, any solid argument, for the acceptance of all kinds of sacrifice essential to victory.

According to me, then, the C.B.C. has not taken any consistent and persevering initiative in spreading our democratic principles. They do not seem to have done anything persistently and systematically organized to make the people understand the value of freedom which is the essence of the political institutions of all the British world, of the United States and also of the French people, the French Republic. The Bill of Rights, Magna Charta, the declaration of the rights of man, in opposition to the Nazi-Fascist institution and to *Mein Kampf*, are the most wonderful sources of inspiration and should have been explained by all kinds of sketches and speeches by the liberal-minded people who are convinced that life is not worth living without freedom. In fact, I would go as far as to say that a part of the comments made on some of the C.B.C. stations has been apparently done sometimes by people who did not seem to have a real faith in democracy and liberalism.

I have followed many of the regular war broadcasts from September, 1939, until now. I have not been able to gather from such comments anything which would indicate a real war policy of the C.B.C. The long list of war broadcasts given here by the assistant manager of the C.B.C. may be impressive; it may impress by its quantity, but I do not think it could impress us by its quality. I have also listened once in a while to some of the sketches which were supposed to be good propaganda. Many of them were in rather doubtful taste and sometimes it was gross melodrama. The C.B.C. has done much; I must repeat that. They have made great progress, and I am sure they have done their best. I am sure also that they have the will to accept any reforms which they may be subjected to. But they are not so guilty for what they have done as for what they have not done. Personally I am convinced that they have not done enough—first, to give any enthusiasm to our people for the democratic principles we are fighting for; second, to promote Canadian unity and good understanding; third, to oppose, day by day, the anti-British feeling which is the main cause of our trouble in the province of Quebec; fourth, to profit by the daily events in impressing the minds of their listeners. It seems to me that the freedom we have enjoyed in North America for more than one century should be a wonderful

subject for all kinds of broadcasts and sketches. The history of Canada, both English and French, the United States and Great Britain, shows us so many examples of heroism, of fair play, tolerance and progress, that it should always be a cause for enthusiasm in opposition to enslavement by the axis powers. We should have insisted by all kinds of broadcasts to show how French Canada has developed and has enjoyed all kinds of liberties under British institutions and they should also have insisted in the English part to show what they should do towards the province of Quebec, in the knowledge of our history, of our traditions, our language and so on. And also the C.B.C. has not the sense of opportunity. We have given as an example in our own paper *Le Jour* on May 23, 1942, the following. Suppose we have some boats sunk in the St. Lawrence. On the same day, one or two hours after, there should be a dramatic broadcast of such an event, and also if something of that kind happens on the B.C. coast. That would impress the people with the imminence of danger. I think that such a work has not been done properly. It is obvious that there is a lack of co-ordination and unity in our radio propaganda. According to me there may be nobody at the C.B.C. or in the Information Bureau who has conducted the war of ideas and who really knows all the conflicting ideologies involved in the great universal conflict. Somebody who is not only loyal, but also very democratic, broad-minded, cultured, intelligent, aggressive and experienced in the field of propaganda should be put at the head of that service. A committee should be named with complete authority over that part of the radio propaganda and should therefore be able to choose the time, the hours and the men for such a task. As long as we do not possess that committee or find the right man, I do not think that we will have a really efficient propaganda service.

If I remember rightly, the Office of Facts and Figures, which has been fused with another body, Public Information in the States, can do anything for propaganda on all the American radio stations. I believe the same thing should exist in Canada. When there is an interesting broadcast to be made the O.F.F. or the other body can obtain anything from any station at any time, even if the station loses several thousand dollars by doing so. It may be costly, but at whatever cost we must win the people because we want to win the war.

Thank you.

By Mr. Coldwell:

Q. Mr. Harvey, you said there had been a lack of effort to sell democracy to the people, and I think you said the C.B.C. had no consistent or persistent advocacy of democratic principles and that it had not been explained by the right type of people. I wonder if you would expand that somewhat?—A. Yes, I can explain that by series of facts. I won't give all the names. I can speak of the broadcasts and if you want me to give the names I would not like the newspapers to publish all the names I give here.

Q. I should think, Mr. Chairman, if we find it desirable to ask for the names we can ask for them, otherwise Mr. Harvey can go ahead without naming the individuals.

Mr. SLAGHT: I suggest, Mr. Chairman, let us have frankness and candour. I think Mr. Harvey may make a request to the press not to publish the names, but this committee has to have all the facts. If we are going to have a lot of Mr. X's paraded before us how can we bring our judgment to bear? Perhaps you, Mr. Chairman, would say a word to the press?

The WITNESS: The reason I said that was that some of the newspapermen are my friends personally; socially they are my friends; I like them, and I

want to render service to the country, and if the newspapers would do something for them I will be very glad. I might say that the editor of a Quebec daily is one example.

By Hon. Mr. Thorson:

Q. Name?—A. Dr. Roy. He broadcasts quite regularly on the network. I have not the text of his broadcasts, but I heard some of his declarations, and we find an equivalent declaration in the paper where he writes. That man broadcasts regularly, and the day after he writes this in his paper: "Demandons spécialement à Dieu que pas un seul chef d'Etat ne méprise une seule chance de faire la paix, si jamais cette chance se présente. Plus vite la guerre se terminera, moins nous aurons à redouter l'anarchie dont l'honorable King parlait récemment aux Communes canadiennes." It says: "Let us pray God that no chief of state will miss any chance of making peace as soon as the chance presents itself." That is, peace at all cost.

Now, the same editor, the 18th of May, 1942, writes: "Better to lose the war if victory cannot be obtained without gain for the Communist Regime; let us open our eyes and act against the worse fifth columnists." That is the spirit of one of the regular broadcasts.

Q. That is Mr.—A. He broadcasts in Quebec city over the C.B.C. Mr. Louis P. Roy.

By Mr. Coldwell:

Q. Was that the same broadcast?—A. On Sunday. The daily author of the morning program. On Sunday afternoons in the Dominican hour he broadcasts.

By Mr. Ross:

Q. On what broadcast?—A. The broadcast from Quebec on the C.B.C.

Mr. SLAGHT: I could not catch that. Would you translate it again?

The WITNESS: He broadcasts on Sunday on the program "Heure dominicale".

Mr. SLAGHT: No, the language you complained of.

The WITNESS: I said I could not get the text of his broadcast. I said that same person, the editor, will write in his paper something like that.

The CHAIRMAN: Mr. Harvey, this committee is not concerned with reference to what appears in newspapers. If you can affirm that he has broadcast to the effect that you have quoted that is of concern to the committee, but what appears in the newspapers is not.

Mr. GRAYDON: It shows the character of the man.

Mr. ROSS: I think we have to be concerned with what is written in the press.

The CHAIRMAN: We are not investigating the press.

Mr. ROSS: What we are doing is we are trying to find out what kind of broadcasts we have in connection with such things as Mr. Harvey has just brought out.

Mr. SLAGHT: I should like to hear the language translated again which he complains of. I did not catch it, Mr. Chairman.

The CHAIRMAN: Would you repeat that?

The WITNESS: You want me to read what I read in French a while ago? Mr. Chairman, if you will allow me to say so, a man who asks for peace at all costs or says that it is better for us to lose the war than to give advantage to the communist regime in Russia is a man who should not be permitted to broadcast—

Mr. ROSS: Would you mind translating your French?

Mr. COLDWELL: I think Mr. Slaght wants you to repeat the language you used just now in referring to certain statements in the newspaper.

The CHAIRMAN: Translate into English what you said was in the paper.

The WITNESS: I have said on the 18th of May, 1942, he writes: "Better to lose the war if victory cannot be obtained without gain for the Communist Regime, let us open our eyes and act against the worse fifth columnists."

By Hon. Mr. Thorson:

Q. Did he broadcast that?—A. No, but he broadcast the equivalent; I have heard it myself, the equivalent of that in another form. I know, because I heard it myself. I had no time to obtain the texts of the broadcasts, but I want to show what he writes and I can affirm he says the equivalent, in other words, on the radio. I heard it myself

Mr. GRAYDON: Mr. Chairman, this looks like a pretty serious situation.

The CHAIRMAN: May I ask this: Would it be possible for you to obtain a copy of his manuscript from the 18th of May to date?

The WITNESS: I think you could obtain it. The committee could obtain it here if you want it.

By the Chairman:

Q. Did you make any attempt to obtain it?—A. I did not.

Q. Don't you think for the purpose of accuracy that you might have made an attempt to obtain a copy of his manuscript rather than to give an opinion as to what appeared in the press which he edited?

Mr. GRAYDON: Mr. Chairman, I know nothing about the situation except what I have learned this morning. I have never heard from any other quarter any criticism or comment upon the subject which Mr. Harvey brings up to the committee to-day, but it seemed to me that Mr. Harvey's objection to the alleged broadcast was based not upon what he said on the radio but the views expressed in the daily press from time to time which he thinks ought to disqualify him as a promoter of national unity. I think that is the point that Mr. Harvey had in mind when he raised this question. It seems to me if these words were used in the press that that becomes a very serious matter and I think a matter which belongs to the jurisdiction of another department of the government rather than this committee.

By Hon. Mr. Thorson:

Q. What paper was this?—A. *L'Action Catholique*.

Q. This Dominican hour, whose hour is that?—A. It is supposed to be exclusively for religious propaganda, a Catholic hour of the French section, of course.

By Mrs. Casselman:

Q. Is it over the C.B.C. station or a local station?—A. CBF in Montreal, a C.B.C. station.

The CHAIRMAN: A French broadcast station in Montreal.

By Mr. Graydon:

Q. When was that statement made in the press that you complain of?—A. The 18th of May, 1942.

Q. Has he been broadcasting since that time?—A. Since that time in May? I do not listen to those broadcasts, I do not know; I think it is going on now.

By Mr. Ross:

Q. Who is the man?—A. Dr. Philippe Roy.

By Hon. Mr. Thorson:

Q. What is his position?—A. One of the editors of *L'Action Catholique*.

By Mr. Coldwell:

Q. Is he also a broadcaster for CBF, officially?—A. He broadcasts every Sunday; his text is given there officially.

Q. Is he officially with the C.B.C.; what does he do; is this a church organization, independent of the C.B.C.?—A. It seems to me he is engaged by the C. B. C., he is paid by the C. B. C. to do that work.

By Mr. Tripp:

Q. Could we have a copy of the script that was used by Dr. Roy on the different broadcasts? Could the committee obtain that?

Mr. COLDWELL: The script would be filed with the station, would it not?

The CHAIRMAN: We can find out from Dr. Frigon after. I think Mr. Harvey ought to continue.

Mr. COLDWELL: Yes.

By Hon. Mr. Thorson:

Q. The first statement that you attribute to Dr. Roy was of what date?—A. 18th of May, 1942.

Q. Both the statements?—A. No, the other one was on another date.

Q. Was it also in the paper?—A. I think I have the date here if I can find it in my papers. The first statement when he asked peace at all cost?

Q. What date is that?—A. I am trying to find it here. The 12th of December, 1940. The first statement there; the article is there.

Q. What date?—A. The 12th of December, 1940.

Q. 19— —A. 1940.

Q. It was also published?—A. In *L'Action Catholique*. I have the article here, the text.

Q. Published in— —A. *L'Action Catholique*, and reproduced in *Le Jour*.

Q. Do you say that he made that statement on the radio?—A. He made the equivalent on the radio.

Q. When?—A. On several occasions. It is too bad, I apologize for not having the text of his broadcast, but I know he said the equivalent.

Q. Stick to this one first. Have you got any others?—A. No, I have not the dates for his broadcasts on the radio.

By Mr. Coldwell:

Q. What you are doing is showing his general line of thought?—A. Yes.

By Hon. Mr. Thorson:

Q. Did you make any inquiry for the text of the broadcasts?—A. No; I did not want to get them; I just wanted to give these things that I have here, and I think I could pass very quickly over them.

Mr. COLDWELL: Could Mr. Harvey proceed?

The CHAIRMAN: Yes.

The WITNESS: I have here some texts of radio broadcasts which one of the successors to Mr. Francœur, Eustache Letellier de Saint Just, made on July 9, 1941. I will give it in French first, if you please, and I will try to translate it. He says:—

“La guerre entre l’Allemagne et la Russie met aux prises, Mesdames, Messieurs, deux puissances qui se sont donné pour but la domination mondiale. Ce sont le communisme et le pangermanisme. Plus longtemps durera le conflit qui les dresse l’un contre l’autre, plus ils s’affaibliront dans cette lutte, le mieux ce sera pour le monde chrétien dont l’un et l’autre ont juré l’asservissement.”

He says:—

The war between Germany and Russia puts one against the other, two powers who have for their main aim the domination of the whole world.

By Mr. Graydon:

Q. Now, Mr. Harvey, who made that statement?—A. Mr. Eustache Letellier de Saint Just on the radio, on the C.B.C. network, 9th of July.

Q. Is he a regular C.B.C. announcer?—A. a regular commentator, a French commentator of the C.B.C. in Montreal.

Q. What date was that?—A. 9th of July, 1941. I have it here.

By Hon. Mr. Thorson:

Q. Will you translate it now?—A. He says:—

The war between Germany and Russia puts one against the other, two powers who have for their main aim the domination of the world. These are communism and pan-germanism. The longer the conflict which puts one against the other lasts, the more they will weaken in the struggle and the better it would be for the Christian world. Both of them have sworn to destroy it.

He says we must be happy; we must not fear too much. He says what he assures us is that both of them can be suppressed at the same time.

Hon. Mr. THORSON: It seems to me a British minister made that statement.

The WITNESS: He made that statement one day; he did not insist on it nearly every day.

Mr. GRAYDON: I think that case was Mr. Moore-Brabazon, if I remember correctly.

Hon. Mr. THORSON: Yes.

Mr. GRAYDON: I think there was no one who got into more hot water than Mr. Moore-Brabazon because of that same statement. This seems to have gone on unheard of until now. Where is the censorship in this country? Is there no censorship over broadcasts at all, no regulations? Are there certain stations which can run wild on matters of that kind? Surely there must be some sort of regulation or some sort of law with respect to matters of this kind? Go ahead.

The WITNESS: On the 25th of August—

By Mr. Coldwell:

Q. What year?—A. 1941; on the C.B.C., the text published by the author himself in *Le Canada* of the 26th August, here, he gives the same idea, the same kind of propaganda, which is very bad propaganda according to me. He speaks about the fight between Russia and Germany. He says:—

We must hope that the resistance will last.

That is all right. He says,—

We must hope it will never finish, and by hoping so we naturally want to dissociate our immediate military interest which wants the defeat of nazism from our spiritual interest which is opposed to the victory of communism.

You get the significance. I have studied the question very thoroughly for a year. That was on the 25th of August. Now, I have another on October 3, also in the same language.

By Mrs. Casselman:

Q. In the same year?—A. The same year, 1941. The same consideration about Moscow and the Reich.

By Mr. Coldwell:

Q. You had better read it.

By Hon. Mr. Thorson:

Q. Read what you object to.—A. He says:—

Aux Etats-Unis, pays de toutes les libertés, la propagande communiste a connu un regain d'activité depuis que la Russie est devenue l'alliée du monde anglo-saxon. M. Roosevelt a malencontreusement contribué, ces jours derniers, à fortifier cette propagande dans son entreprise de subversion, quand il a risqué une explication sur la liberté religieuse en Russie.

He says:—

In the United States, a country of all the liberties, communist propaganda has gained activity since Russia has become the ally of the Anglo-Saxon world. Mr. Roosevelt has unhappily contributed towards the result of fortifying propaganda in his subversive statement when he tried to explain what was religious freedom in Russia and what—

By Mr. Graydon:

Q. Did he make the statement that Mr. Roosevelt's statement was subversive?—A. Yes, he says, "subversive statement."

Q. What date?—A. No, I made a mistake there.

By Hon. Mr. Thorson:

Q. Read the French.—A. I made a mistake in translating, pardon me. He means propaganda, but he does not mean that the propaganda was put out by Roosevelt. That is a little bit confused.

Q. I think you had better read in French what you complain of and then you can translate it into English and it can be seen then whether your translation of the French is correct or not.—A.

Aux Etats-Unis, pays de toutes les libertés, la propagande communiste a connu un regain d'activité depuis que la Russie est devenue l'alliée du monde anglo-saxon. M. Roosevelt a malencontreusement contribué, ces jours derniers, à fortifier cette propagande dans son entreprise de subversion, quand il a risqué une explication sur la liberté religieuse en Russie.

By Mr. Claxton:

Q. Is it a fair translation to say that Mr. Roosevelt has reinforced that propaganda, unfortunately reinforced it?—A. Reinforced that propaganda by making that statement about religious freedom in Russia.

Mr. GRAYDON: That is the very best interpretation of it, but it is still a reflection on the president of the United States, is it not?

The WITNESS: Yes, there is a blame put on the President of the United States.

By Hon. Mr. Thorson:

Q. Is that all that you have with regard to that statement?—A. No, not all, I have many other statements.

Q. Is that all you have about Eustache Letellier?—A. No.

Q. What else have you?—A. I have something on the French question but that may be controversial. I have something here on the special position of the Free French and Vichy France. It seems strange to me that they have tried very often to put Petain and the Vichy French on a pedestal.

By Mr. Graydon:

Q. I did not hear that.—A. Sometimes they have tried to put Petain and Vichy French on a pedestal.

Hon. Mr. THORSON: For the time being deal with Mr. Eustache Letellier.

By Mr. Coldwell:

Q. You are still dealing with the same man, I take it?—A. Yes. I must read the French text. It is very hard to translate. They have tried to conciliate both Vichy and De Gaulle on the C.B.C. very often. Here is one of Eustache Letellier, for example:—

“Au sujet de l’armistice le juin 1940, il est stérile pour nous de débattre la question de savoir si l’armistice a été une erreur, si la France aurait dû, aurait pu continuer la lutte. Ce que nous savons, c’est que cette décision fut prise dans le désarroi de la déroute, par des hommes qui étaient surtout préoccupés du présent et qui ne pouvaient avoir sur l’avenir que des vues incertaines et troublées. Ils sont allés au plus pressé et je suis prêt à admettre, puisque nous ne pouvons plus rien changer au fait accompli, qu’ils ont fait *pour le mieux* à ce moment-là. Reconnaissons cependant aux Français qui continuent de se battre et aux Français qui se sont battus dans l’autre guerre et qui ont des états de services militaires le droit de dire que l’armistice a été une erreur. Pour nous, tout en évitant par pudeur de discuter ce point, nous n’en devons pas moins garder devant nos yeux, à côté du fait accompli de l’armistice, cet autre fait dont l’accomplissement se poursuit, et qui est la résistance armée de la France Libre, c’est-à-dire le témoignage irréfutable que nous donnent du courage français, de la conviction française, des milliers d’hommes dont la foi dans la France se traduit par le geste du soldat qui va se battre et se faire tuer pour ce qu’il croit être le salut de son pays. Comment pouvons-nous douter de la sincérité des Français de ce groupe? Et entre le camp des Français qui recherchent, avec sincérité sans doute, le salut de la France dans une entente avec le vainqueur, et le camp de la France Libre, qui se bat contre l’ennemi qui est le nôtre, de quel côté, je vous le demande, doit aller notre sympathie?

J’ai lu ces jours-ci dans un petit journal cette phrase: ‘Le public canadien-français non officiel est instinctivement porté vers Pétain et redoute de Gaulle à cause de son entourage trop métissé de maçons et de juifs.’ Dans un conflit où, en dépit de l’armistice et de tout ce qu’il peut sembler promettre, l’avenir de la France continue de se jouer et dépendra de l’issue finale, il serait funeste que l’opinion canadienne-française s’oriente instinctivement, sans rechercher d’autre directive que l’impres-

sion assez vague qu'elle a pu se former des hommes que les événements mettent en présence. Le maréchal Pétain et le général de Gaulle sont tous deux, moralement, des chefs estimables. Mais ce n'est pas sur la valeur relative de leurs qualités respectives, ni sur la composition de leur entourage que nous devons appuyer notre verdict. Le problème est beaucoup plus vaste, comme nous le verrons dans un instant. Il serait injuste, c'est certain, de prêter au maréchal Pétain, grande figure militaire, vieillard bientôt nonagénaire, des motifs mesquins d'arrivisme ou d'intérêt personnel. Après une longue carrière dans l'armée, il avait droit à une retraite auréolée de sa gloire passée. Il a fait un magnifique geste d'abnégation en acceptant, aux heures tragiques de juin 1940, les rênes du gouvernement et la tâche ingrate de négocier avec le vainqueur."

He would always try to conciliate these two.

Translation

As for the armistice of June, 1940, it is fruitless for us to argue the question of knowing if the armistice was a mistake, if France should have, could have continued the struggle. What we do know is that this decision was arrived at in the confusion of the rout, by men who were mainly concerned about the present and who could only hold uncertain and troubled views about the future. They attended to the most pressing thing and I am ready to admit, since we can no longer change in any way the accomplished fact, that they did for the best at that moment. However, let us acknowledge to the French who are continuing to fight and to the French who fought in the last war and who have a record of military service the right to say that the armistice was a mistake. As for us, while avoiding the discussion of this point out of a sense of decency, we must nevertheless keep before our eyes, close by the accomplished fact of the armistice, this other fact the accomplishment of which is in process, and which is the armed resistance of Free France, that is to say the irrefutable evidence which is being given us of French courage, French conviction, by thousands of men whose faith in France finds expression in the action of the soldier who goes and fights and gets killed for what he believes to be the salvation of his country. How can one doubt the sincerity of the French who belong to that group? And between the group of French who no doubt seek with sincerity the salvation of France in an agreement with the victor, and the group representing Free France which battles against the enemy who is also our enemy, to which side, I ask you, should our sympathy go?

I read the other day in a small journal this sentence: "The non-official French-Canadian public leans instinctively towards Pétain and fears de Gaulle because of his circle too cross-bred with Masons and Jews." In a conflict where, in spite of the armistice and everything that it can seem to promise, the future of France continues to be involved and will depend on the final issue, it would be fatal for French-Canadian opinion to shape its course instinctively, without seeking any other guidance than the rather vague impression it was able to form of the men whom events have set face to face. Marshal Pétain and General de Gaulle are both, morally, estimable leaders. But we must not found our verdict on the relative value of their respective qualities, or on the composition of the men who surround them. The problem is much broader, as we shall see in an instant. It would be unjust, to be sure, to ascribe to Marshal Pétain, a great military figure, an old man who will soon be a nonagenarian, petty motives of unscrupulous ambition or personal interest. After a long career in the army he was entitled to

a retirement haloed by his past glory. He made a magnificent gesture of abnegation in accepting, in the tragic hours of June, 1940, the reins of government and the ungrateful task of negotiating with the victor.

By Hon. Mr. Thorson:

Q. What date is that?—A. That was given on the 19th September, 1941. That statement is perhaps the worst that could be made.

Q. Translate that.—A. "If we speak of the armistice of June, 1940, it is sterile to discuss the question to know if the armistice has been an error and if France should have continued to fight."

These statements come often on the radio and that is the fundamental question of all, the French question. There is Vichy and indirectly there is the fascist regime. If we admit that we cannot discuss the opportunity of the armistice, then there is nothing more to discuss about Vichy because the sin was there, it could not be in another place; after the armistice: Vichy was under the German rule; but the sin was there, and if we admit that, we may admit many, many things. Furthermore, this commentator says, "We concede to those who have fought the right to say the armistice may have been in error."

By Mr. Coldwell:

Q. How long has this gentleman been broadcasting?—A. For one whole year, I think, quite regularly.

Q. Did he follow Mr. Francoeur?—A. He followed Mr. Francoeur.

By Mrs. Casselman:

Q. Is he still broadcasting?—A. I think so.

By Hon. Mr. Thorson:

Q. Is he still broadcasting?—A. I still think so.

Q. What other ones have you got?

Mr. GRAYDON: May I find out if he is still broadcasting from Dr. Frigon or Major Murray?

Mr. FRIGON: To the end of May of this year.

The WITNESS: Now I speak of the sense of opportunity. Here is a broadcast given on the 27th of August, 1941.

By Hon. Mr. Thorson:

Q. By whom?—A. By Eustache Letellier. He says we speak of an act of violence. It is about France again. When Laval was shot by that young

Q. What did he say?—A. He said:—

Le geste de violence qui vient de se commettre est inexcusable et il sera jugé comme tel, si maigre que soit la sympathie dont jouisse M. Laval, parmi ses compatriotes aussi bien qu'à l'étranger.

I do not know if he could not have done something more efficient in propaganda than that and to speak of the anguish of the people of France, and so on. I think he could have made a wonderful comment on that.

Q. What did he say?—A. He said:—

Le geste de violence qui vient de se commettre est inexcusable et il sera jugé comme tel, si maigre que soit la sympathie dont jouisse M. Laval, parmi ses compatriotes aussi bien qu'à étranger.

By Mr. Graydon:

Q. What is that in English?—A. He says: "The gesture of violence made by that young man cannot be excused and everybody will think so even if Laval is not very popular in France and outside of France," that he is legally true but is it good propaganda?

By Mr. Coldwell:

Q. Are you finished with Eustache Letellier?—A. I have some others, but I think those broadcasts should be enough. I just want to show the tendency. I do not blame the broadcasters or the stations for this. What I want to point out is that there was a lack of immediate direction over the broadcasters. I think that is the only conclusion I can draw.

Mr. GRAYDON: We cannot wonder at that because we have Dr. Frigon over the French network and on these kinds of broadcasts we have Major Murray taking charge. It is another example of division of authority in the corporation. It is no wonder this kind of thing has occurred.

Mrs. CASSELMAN: I do not think it is quite right to say Dr. Frigon is over the French and Mr. Murray is over the English.

Mr. GRAYDON: Major Murray was on the broadcasting end of the programs to which I was referring.

By Mr. Coldwell:

Q. We had some discussion here about a Francoeur broadcast. I read some translations by *Le Jour* and I should like to know something about them because—it was in the early part of the war, it is true, but Mr. Francoeur was a very popular broadcaster in the province of Quebec and was heard by many thousands of people at the time. Since those broadcasts have been mentioned here I think you should be asked to explain what you had in mind in regard to Francoeur's broadcasts?—A. Yes. I hoped I would not have to speak about Mr. Francoeur.

Hon. Mr. THORSON: I think you had better.

The WITNESS: First of all, I think it is my privilege, before I deal with Mr. Francoeur's broadcasts, to protest against some insinuations made here by other witnesses. If you refer to the minutes of proceedings of evidence of this committee at page 277—

By Hon. Mr. Thorson:

Q. Are you going to deal now with your views about Mr. Francoeur?—A. If I am asked to do so, I will deal with it. Here is the insinuation I am speaking of. I quote:—

The relations between Mr. Francoeur and *l'Illustration* and Mr. Jean Harvey is a lengthy story. There is a lot of the personal feeling there, I am sure, that should not come into the national picture.

There was never any personal feeling of that kind, I say, no animosity of that kind between Mr. Francoeur and myself. Nobody could find the slightest indication that there was personally. Socially speaking, he was one of my best friends. Although he was a Conservative, I liked his great talent and his wit. He was surely one of the best broadcasters we ever had in Canada. I do not believe that anybody will ever enjoy more popularity than he had. On more than one occasion I congratulated him in my own paper, (*Le Jour*, 15th March, 1941). I can file these things if you want them. When he died we felt that the radio had made a great loss and we wrote in our paper on June 7, 1941, an article to this effect. After his tragic accident we were among the first to deplore his death and to say that it was a great and irreparable loss.

Now I am asked to explain certain criticisms made against him about his political creed and certain attitudes. When we attacked Mr. Francoeur, he was living and could, therefore, defend himself. Now that he is dead, I feel that I should not be asked to go further. If you insist, I will answer your questions, but I hope that my "confreres" in journalism will be fair enough to understand my position and quote that we have never said or written a word against Mr. Francoeur after his death.

By Mr. Coldwell:

Q. We are not investigating Mr. Francoeur; we are trying to get— —A. Yes, we do not inquire into the dead but the living body.

By Hon. Mr. Thorson:

Q. You have not said anything about his broadcasts.—A. Because it constitutes a series of statements and I know that it will be—

Q. Do you wish to say anything about his broadcasts now?—A. Yes. It has been admitted in this committee that in the past Mr. Francoeur had been pro-fascist and that has been proven by his own writings. I have the text and the dates of the writings here, but it has been admitted officially by the other witnesses. If you want to file some of these declarations I have some of them here, but that was before he was engaged—

Q. That was before— —A. Before.

Q. As a broadcaster what have you to say with regard to his statements? —A. Now in the broadcasts, knowing the former tendencies of the broadcaster we aim to distinguish the same tendency in many of his broadcasts.

Q. Have you any specific— —A. Yes, I have some specific statements here in "La Situation, ce soir, No. 11," published in Montreal on the 15th of July, 1941. In this little book are the texts of Mr. Francoeur's broadcasts. On page 20, after the fall of France, he says this—

Q. What date was the broadcast?—A. The 8th of July, 1940, right after the fall of France. He says—I will read it in French first:—

"Evidemment, la France a le droit de se donner le régime qu'elle veut; ce qu'elle fait ne nous regarde pas, à parler strictement. Ce serait de la dernière impertinence de notre part, Canadiens, que de juger tous ses actes autrement que du point de vue de la politique générale. On ne peut nier maintenant que du malheur de la nation doive sortir un nouveau régime politique, de type plus ou moins fasciste. Il est seulement malheureux qu'il naisse des épreuves de la patrie."

Q. Translate it.—A. "It would be an impertinence on our part as Canadians to judge the political action of France, but from the point of view of general policy we cannot deny it now that from the defeat of the French nation will come out a new political regime which will be of the fascist type. The only thing we can deplore is that it comes from the misery of the nation." You must have the French text. I give a very bad translation.

Q. Is that the most offensive statement that you have in Mr. Francoeur's broadcasts?—A. One of the most, yes.

Q. That is one of the most offensive?—A Well, I have others of the same type.

Q. You have some others?—A. In my general statement I said, "We do not generally employ people imbued with democratic principles for our broadcasts."

Q. Specify other portions of Mr. Francoeur's broadcasts that you object to.—
A. No. 11 again.

Q. The date?—A. The 9th of July, 1940, pages 24 and 25. He speaks about the regime that may come in France, and he said there cannot be the question of the republic and so on. After he names some pretenders to power he speaks about the monarchist regime. He says:—

Le comte de Paris, fils du duc de Guise, est une personnalité fort intéressante. C'est un prince moderne, parfaitement renseigné des problèmes politiques et sociaux qui se posent en Europe. C'est un homme studieux, irréprochable, et fort sympathique, immensément riche par surcroît, comme tous les princes d'Orléans. De sa part, et un peu moins de celle de son père, le duc de Guise, on n'a pas à s'étonner qu'il profite des circonstances pour tenter une restauration. Les princes se placent au point de vue de ce qu'ils croient l'intérêt supérieur du pays, toujours inséparable, pour eux, de celui de leur dynastie. Le comte de Paris est bien convaincu qu'il n'est pas de salut pour la France hors de la monarchie. Dans l'état d'affaissement présent de la nation, il doit voir sans doute un signe du ciel. Mais la droiture de ses intentions, qui ne peut être mise en doute, n'empêchera pas les ennemis du régime monarchique de dire, si le projet réussit, qu'il a repris le trône à la faveur de la défaite.

Toutefois, si l'on se reporte à l'histoire, d'un grand mal peut parfois sortir un bien. Si les Bourbons n'eussent été là en 1814 et en 1815, la Prusse et l'Autriche écharpaient la France. Le roi Louis XVIII, fort de la fiction légale qui le faisait considérer comme le roi légitime depuis la mort de Louis XVII, au Temple, interposa son droit divin entre l'étranger vainqueur et la nation française abattue. Il restaura l'ordre dans les finances, remit la paix dans le pays, replaça la France parmi les nations normales, et fit la transition entre l'époque révolutionnaire, et napoléonienne et les temps contemporains. On lui reprocha toujours d'être rentré en France dans les fourgons de l'ennemi; tel ne fut jamais son point de vue à lui, puisque jamais il n'avait cessé, même dans les années les plus dures de l'exil, de maintenir son droit et de s'intituler "roi de France et de Navarre".

Nous suivrons au jour le jour, si vous le voulez bien, les diverses péripéties de la tentative qu'on nous annonce de restauration monarchique. Elle a ses amis connus, dont Weygand n'est pas le moindre.

The comte de Paris, son of the duc de Guise, is a very interesting personality. He is a modern prince, thoroughly informed on Europe's political and social problems. He is a studious, irreproachable and very sympathetic man, who besides is immensely wealthy, like all the princes of Orléans. One need not be astonished that on his own behalf and a little less on his father's behalf he avails himself of circumstances to attempt a restoration. Princes take their stand from the viewpoint of what they believe to be country's highest interest, always inseparable, for them, from that of their dynasty. The comte de Paris is fully convinced that without the monarchy there is no hope of salvation for France. In the nation's present state of collapse, he must see no doubt a sign from Heaven. But the rectitude of his intentions which cannot be questioned. In the nation's present state of collapse, he must see no doubt a sign from saying, should the plan materialize, that he recovered the throne under favour of defeat.

However, if one turns to history, good may sometimes come out of a great evil. If the Bourbons had not been there in 1814 and 1815, Prussia and Austria would have torn France to pieces. King Louis XVIII, fortified by the legal fiction that caused him to be looked upon as the rightful king since the death of Louis XVII, in the temple, interposed his divine right between the alien victor and the fallen French nation. He restored order in the finances, brought back peace to the country, placed France

again among normal nations, and effected the transition between the revolutionary and Napoleonic epoch and contemporary times. He was always reproached with having returned to France in the enemy's vans; such was never his own viewpoint, since he had never ceased, even in the hardest years of exile, maintaining his right and to call himself "king of France and of Navarre."

We shall follow from day to day, if you will, the various vicissitudes of the attempt to restore the monarchy as announced to us. The movement has its known friends among whom Weygand is not the least.

Q. What is it you object to in that?—A. It is part of an ensemble. I would go further. We say that we are fighting for democratic principles and only at the end of that series of broadcasts can we see a little light of liberalism or democratic principles.

Q. Have you any other passages in Mr. Francœur's broadcasts that you object to, beyond those two?—A. Yes.

Q. Specifically?—A. Yes.

Q. Are they of the same tenor as the ones you have read?—A. About the same. At page 50 of No. 11 of the same series he speaks about the 14th of July.

By Mr. Coldwell:

Q. The celebration of the fall of the Bastille?—A. He said the new regime of Vichy intends to make the celebration of the 30th of May, which is Ste. Joan of Arc day—it is a very happy idea and as many others it should have been so for a long time. Then he speaks on the 14th of July. He says that the celebration of Joan of Arc should have replaced the other one for a long time. It is mentioned inoffensively, but there is something in it. Then, on page 48 under date of the 15th of July, 1940, he says: "The impression of some people who came from France." And on the same page, a little further on:—

Quant aux vieilles institutions de la Troisième République, personne n'en veut plus. Tout le monde est dégoûté d'un régime de discorde et de division, qui perd de vue, à chaque fois que cela l'arrange, les véritables intérêts de la patrie.

He says, "As for the old institutions of the Third Republic, nobody wants them any more in France. All of them are disgusted with the regime of discord and division. It seems, according to the impression of these people that France is waiting for a dictator, a true one."

Then, in the same series, on page 29, of the 10th of July, 1940, he says:—

Jamais la France n'avait essayé sérieusement et sans arrière-pensée la république parlementaire.

Translation

France had never tried the parliamentary republic seriously and without mental reservation.

Then, in No. 12 at page 30 and 31 he speaks about certain people, and I want to speak of his judgment of these people. It seems, according to the broadcasters, those who were really progressive were not progressive according to the tastes of the broadcaster. This broadcast was given on the 24th of July, 1940. He would give his judgment about men that you know. This is what he said:—

Faire porter à M. Daladier tout le poids des erreurs commises depuis 1920, c'est trop raide pour être avalé sans protestation par l'étranger. On ne peut tout de même pas le rendre responsable, lui, de ce qu'a fait Sarraut, de ce qu'a fait Chautemps, surtout de ce qu'a fait Blum, et de ce qu'a fait Laval, de tout ce qu'ont manigancé contre la France les camérilla judéo-communistes. L'idée de choisir un bouc émissaire et de tout

lui mettre sur le dos a quelque chose d'inique, surtout quand ceux-là qui veulent punir sont eux-mêmes aussi coupables, voire plus que la victime désignée. Où est Blum là-dedans? C'est lui la grand saboteur, l'homme qui encouragea les grèves sur le tas, qui nationalisa les usines d'avionnerie et de munitions, l'homme qui défilait derrière le drapeau rouge, et dont toute la carrière est l'illustration du mal que peut faire l'intellectuel millionnaire qui fait de la démagogie.

Translation

To make Mr. Daladier bear the full brunt of the mistakes committed since 1920, that is something too hard for a stranger to swallow without protest. One cannot for all that hold him responsible for what Sarraut did, for what Chautemps did, especially for what Blum did, and for what Laval did, for all that the Jewish-Communistic camarillas worked underhand against France. The idea of picking a scapegoat and loading everything on its back is iniquitous, particularly when those who want to punish are themselves as guilty, in fact more guilty than the appointed victim.

Swiss, when one saw him suddenly appear in Vichy. He is the big saboteur, the man who encouraged sit-down strikes, who nationalized munitions plants and aircraft factories, the man who marched behind the red flag, and whose whole career constitutes a portrayal of the evil the intellectual millionaire indulging in demagoguery can do.

He hates Blum. I am not a defender of Blum, but I will say this. We may have other opinions of him, but he surely was one of the most disinterested and one of the brightest minds France had since the last war. At the Riom inquiry he defended himself so well that the judge was crying when he was making his deposition. He speaks of Blum here and he treats him as a criminal.

By Hon. Mr. Thorson:

Q. Have we not some similar things happening here in Canada about the Prime Minister and former prime ministers?—A. Yes, you are right, Mr. Thorson; it is too bad. He says:

C'est lui le grand saboteur, . . .

That is the funniest statement you could hear because according to the inquiry at Riom Blum appears as one of the best chief executives in France. Furthermore, he would say, when speaking on the radio that he was against all popular fronts. The popular front is essentially a democratic organization. The enemies of our democratic world have tried to class the popular front as the communist organization, which is not true, and it has been proved that it is not. It is the reunion of all the democratic elements against the reactionaries who wanted to take power against the will of the people. Anybody who does not know is not very well fit for our fight for democracy. In No. 12, at page 45 of *La Situation*, *Ce Soir*, on the League of Nations—as you know the League of Nations has been discredited mostly by the Axis Powers—he says:—

Si encore il y avait une quelconque autorité qui pût intervenir efficacement, qui pût servir d'arbitre indiscuté . . . Il n'y en a pas. La piteuse, lamentable, stérile, inutile et dispenieuse Société des Nations n'existe plus que sur le papier, après s'être révélée impuissante à régler les conflits importants survenus depuis la guerre.

Translation

If there was even some authority who could intervene effectually, who could serve as an unquestioned arbiter. There is none. The pitiful, lamentable, sterile, useless and expensive League of Nations now only exists on paper, after having revealed itself powerless to settle the important conflicts that arose since the war.

Also:

La S.D.N. meurt donc à vingt et un ans. En principe, c'est la fleur de l'âge, mais la pauvrete était née rachitique. A peine au sorties du berceau, on devina chez elle les signes de la sénilité précoce, en même temps qu'on voyait à son front les stigmates de l'anémie pernicieuse. Elle s'en va, sans gloire, alors qu'on ne pense même plus à ceux qui la mirent au monde et qui bercèrent ses premières heures. Ces hommes d'un autre âge, qui s'appelaient Wilson et Léon Bourgeois, rousseauistes impénitents, croyaient que l'homme est bon et que sa grande passion c'est celle de la fraternité universelle.

Thus, the League of Nations dies at twenty-one years. Normally, that is the heyday of life, but the poor thing was born with rickets. It was scarcely out of the cradle when observers detected signs of early senility, while on its brow could be read the stigma of pernicious anaemia. It passes on, without glory, while people no longer think of those who gave it birth and rocked it as an infant. Those men of another age, who were called Wilson and Léon Bourgeois, impenitent votaries of Rousseau, believed that man is good and that his great passion is that of universal brotherhood.

Well, here is all he could say about the League, the death of the League of Nations, which was founded according to the most generous democratic principles—

Mr. GRAYDON: I do not like to interrupt Mr. Harvey, but we are trying to press forward with the work of the committee. I think he has given us very enlightening information up to the present. I am not so sure that perhaps further repetition of this type of evidence relating to the broadcasting of someone who is dead and no longer attached to the C.B.C. is of great value. I think we ought to thank Mr. Harvey for that part of his evidence. I think he has amply illustrated up to the present moment the tendency about which he complains. I should not like it to be extended, however, to the point where the other witnesses would not be heard.

The CHAIRMAN: Oh, no. Just enough to indicate the situation.

By Hon. Mr. Thorson:

Q. Have you any other persons of whom you have complained? You have mentioned there?—A. Yes, three. I should say that I have not. I could not gather all those documents. They are very voluminous.

Q. You mentioned Dr. Philippe Roy, Mr. Letellier de Saint-Just, and Mr. Francoeur. Are there any other persons of whom you complain?—A. I could not say anything because I have not the documents in hand. I cannot say what I would hear, no. I just wanted to speak with documents in hand.

Q. Those are the only three of whom you complain?—A. Those are the three main—two of them are the main speakers, the main commentators in French since 1939.

Q. Have you any other persons to complain of who took part in French broadcasts beyond those?—A. I would not, Mr. Thorson, because I do not want to implicate the names of third persons in that.

By Mr. Coldwell:

Q. You say you have not the documents with you?—A. No. And also I would not like to call on Mr. So and So because it would be unfair to him.

By the Chairman:

Q. Who succeeded Mr. Francoeur?—A. Mr. Francoeur particularly had no successor, except that they had Mr. Letellier de Saint-Just who came after him, and then after him Jean Louis Gagnon who is a liberal democrat. I must congratulate the radio directors to have picked up Mr. Gagnon. He is a young man with great talent and very liberal-minded. He is very promising.

Mr. GRAYDON: Is that spelled with a small "l" or a big "L".

The CHAIRMAN: Liberal, with a small "l".

By Mr. Coldwell:

Q. How long has he been on?—A. Just lately; a few months. Of course, he has been too late.

Q. How long has he been giving these commentaries regularly?

Dr. FRIGON: Since Mr. Francoeur's death. Gagnon and Saint-Just and a couple of others came right after Louis Francoeur's death; Gagnon was retained and so was Eustache Letellier de Saint-Just. They have been continuing the work of Louis Francoeur as commentators of news.

By Mr. Coldwell:

Q. Have they been alternating or what?—A. Alternating.

Dr. FRIGON: The last part of the year, up to April, they had one broadcast per week each. I might say that Gagnon was on on Sunday evening at a quarter to eight and Saint-Just was on on Saturday evening at a quarter to eight also.

By Mr. Coldwell:

Q. Dr. Frigon in his evidence gave us a list of prominent people who made broadcasts over the French network. The list impressed me, I know, and I think it impressed some of the other members of the committee?—A. It is a great quantity of broadcasting, of course. But I think when you find there—

Q. The list of persons, you mean?—A. Yes—Chamberlain, Lord Halifax, Hitler, His Majesty the King, Roosevelt, Winston Churchill and so on.

By Mr. Graydon:

Q. I did not follow that very carefully, but I thought amongst that list you included Hitler?—A. Yes. That was at the beginning of the war. It was broadcast all over the world.

By the Chairman:

Q. Do you reflect your personal opinion, such as you have indicated to-day, in the paper which you edit?—A. Yes.

Q. Have you reflected it?—A. Yes, more than once. Sometimes too bitterly, I must say.

Q. Too what?—A. Too bitterly; too violently, I should say. Sometimes when we write on the impulses of the day, we go a little too far in the expression.

Q. What is the circulation of your paper?—A. It is, roughly 8,500 and at times 9,000.

Q. Would it be unfair to suggest this to you, or may I ask the question: Is there any personal animosity between you and any of these men you have been criticizing?—A. Never.

Q. No?—A. Never. They know I have no personal animosity.

By Hon. Mr. Thorson:

Q. Those are the only three you criticize?—A. Yes, the only three; because they were particularly the three who were regularly broadcasting comments of that kind.

Q. Are there any others whom you criticize adversely?—A. Nobody else who made regular comments.

Q. You do not criticize any other regular commentator?—A. No.

Q. Are there any others?—A. There are no others.

Q. Are there any others whom you criticize adversely?—A. No. Not any specific. I repeat I do not actually criticize any regular broadcasters except those.

Q. So your criticism of the C. B. C. broadcasts on the French network is confined to the three persons whom you have mentioned?—A. The criticisms I make here. They are the only ones I will make here.

Q. Those are the only criticisms you are making here? Are there any other criticisms that you have in mind that you will make elsewhere?—A. Not necessarily. Mr. Minister, I want to say that I just gave one statement at the beginning of my evidence here regarding which I did not have the documents in hand, so they had to stop that. I will confine myself to the documents I have in my hand. Even if I knew something else, I could not speak. It would not be fair, I think, to ask me to say something else here.

The CHAIRMAN: What is your question, Mr. Ross?

Mr. Ross: I think, Mr. Chairman, we cannot criticize the loyalty and the very definite purpose that Mr. Harvey has, as far as that is concerned. I think he has given his idea or his criticism in connection with—we do not like to call it propaganda, but I do not know why we should not call it propaganda—national unity. As I understand it, he has brought to the attention of the committee while he is a witness some of the shortcomings he thinks there are in connection with broadcasts in French. What I have in my mind, is are we doing everything we possibly can as far as broadcasting in French is concerned, with an idea to the unity of Canada—that is, Canada as a whole? Are we only broadcasting the things that the people in French Canada like to hear? Are we only broadcasting in the other part of Canada the things that the English speaking population like to hear?

He said something about co-ordination. I have asked that question before. That is the question of co-ordination of a policy of broadcasting as far as the whole of Canada is concerned. That is what I would like to see done to a greater extent. We all know that in certain parts of English-speaking Canada when they hear "Ici Radio-Canada" they do not like to hear it. That is something we have to overcome. I imagine, as a matter of fact, there is the same antipathy in connection with the French people when they hear so much English broadcasting. I would like to have Mr. Harvey give us his ideas on that. I read his paper, as far as that is concerned, as well as I can, and it does my French good, to tell the truth. But I would like him to give us a little idea of what he thinks can be done with respect to the national unity of Canada. After all, we are Canada from coast to coast. We all know, as a matter of fact, that a great many of our antipathies with respect to the English race—not race; I do not like that word or with respect to those of English origin and those of French origin, have been fostered—and I hate to say it—by our politicians, to a great extent. I would like to see if he has some idea in his mind whereby we can bring the two races of different origin closer together. I have listened a great deal, as a matter of fact, to this question of race. I think something can be done about it.

The CHAIRMAN: Will you give Mr. Harvey an opportunity to answer?

Mr. Ross: Just a minute, Mr. Chairman. In Russia today, as a matter of fact—and Mr. Thorson will bear me out, I think—we have some 160 different people of different origins. They speak different dialects and all that sort of

thing. They are not like we are. We have two languages spoken in Canada, and there seems to be such an awful row about the whole thing. I would like to know how we can use our propaganda over the radio in order not to put us farther apart but to get us closer together. I would like to have Mr. Harvey say something about that.

The WITNESS: It will be a long question to answer. I could make a resume of the question in that way. Those of the English speaking people who have something to say about the question and who know the question very well should try always to sell the province of Quebec to the rest of Canada; and then the others in our province should try to sell the English speaking people to the province of Quebec. In that way I think the radio could help a lot. I think that is what you should do on the English speaking network. On the French network we could have, I think, regular broadcasters on Canadian unity, directly and indirectly. I think, if you could show the connection between English and French history of Canada, if you could mix together our heroes, French and English on our radio network, if you could show our people what freedom they enjoy and show that freedom not in any vague way as it was done the other day—I listened to that in Montreal—but in some specific way, it would help. It is a vast subject. If we could make the people understand that they are part of the British institution, I think we could cure a large part of the misunderstanding among the national elements in this country. There are many other questions. I know we could do something very good and even very dramatic about all those questions. It has been done at times but not regularly. It was just, as you would say, spasmodic.

By Mr. Ross:

Q. I suggest we might have a little more robustness on our war talks; make them a little more realistic.—A. Yes.

Q. I suggest we might not pussyfoot so much—that is not exactly what I wanted to say, either; we might not talk so much about who was here first and who was here last?—A. No.

Q. And all that sort of thing. That only breeds discord and so on. I have done my best to try to learn to speak French, as far as that is concerned, and understand it. I think that if we could get more understanding between the two originations in this country it would be far better for our national unity, instead of talking about who was here first and so on, or roots in the soil. Our roots are in the soil up in Ontario just as deep as your roots are down there in Quebec, and that is what they do not seem to understand. Then the question of privileges always comes up. We have the treaty of Paris, so far as that is concerned, and we respect that. We in Upper Canada respect that. Then our people in Ontario are always hearing about the French people complaining of not having their rights, and the French people always having to give concessions and all that sort of thing. I do not know of any concessions that they have had to give. We have always respected their rights. Can we not get the two races closer together—not races; I do not like that term. Can we not get the two originations closer together in this country through the use of our radio? Let us get the best people we possibly can and try to overcome that great difficulty.

The CHAIRMAN: Mr. Harvey has given his opinion on that. Are there any further questions?

Mr. COLDWELL: I was going to say this. Mr. Harvey's paper, I know, criticized very severely the keeping of certain people off the air in the province of Quebec, who had certain democratic principles. I remember that Jules Romains incident. I remember you wrote it up in *Le Jour*. I quoted from it in the house. What was the criticism at that time?

Hon. Mr. THORSON: That was on Jules Romain.

The WITNESS: Yes. I have read the evidence given here on that subject. Well, the material facts I have written in *Le Jour*, were practically the same as the ones admitted, I think, by the assistant manager of the C.B.C. here. I have it here, anyway. As I said a moment ago, the expression sometimes goes a little bit too far, but the material facts are about the same. Jules Romain wanted to speak on politics and the C.B.C. wanted him to speak on literature or something of that kind. Then what I didn't like, Romain was criticized very bitterly on the same period by one of their broadcasters. That is why I wrote that article.

Dr. FRIGON: By whom?

The WITNESS: By Mr. Francoeur. I am not supposed to speak of him any more, but I will read you this.

Mr. COLDWELL: If it is a question of fact, I think the fact should be given.

Dr. FRIGON: I would like to know when Mr. Francoeur did speak about Mr. Romain on our network.

The WITNESS: About the same night. After that criticism in *Le Devoir*. You remember very well Mr. Francoeur about those visitors.

Dr. FRIGON: He did not mention him.

The WITNESS: Yes, but that is a play on words; because everybody knew; one million listeners knew it was Romain.

Dr. FRIGON: But he did not mention it was Romain.

The WITNESS: No. He says:—

...nous avons été et nous sommes toujours de mauvais auditeurs quand on vient nous prêcher l'un ou l'autre aspect d'une situation partialement jugée par un polémiste professionnel et payé à tant le mot.

Translation

"...we have been and we are always bad listeners when someone comes to preach to us one aspect or another of a situation partially judged by a professional polemist and paid at the rate of so much per word."

He said that to Romain. Of course, Romain may like to be paid. But I said there that Mr. Francoeur also wants to be paid when he says something, and I think they paid him. He says:—

Il est des Français que nous aurions aimés, honorés, mais dont la présence parmi nous ne peut donner rien d'utile. Si, en certains milieux, on s'en rendait compte, on s'expliquerait sans doute pourquoi certaines invitations ne partent pas et pourquoi, en cette terre française du Québec, on est reçu par tout le monde, sauf par ceux qui sont tellement fiers de leur sang français qu'ils ne peuvent souffrir qu'on rabaisse la mère-patrie au niveau subalterne d'un football ou d'une enchère personnelle.

Translation

There are Frenchmen whom we would have liked to honour, but whose presence in our midst can so serve no useful purpose. If this were realized in certain circles, one would no doubt have the explanation why certain invitations do not go forth and why, in this French land of Quebec, one is received by everybody, except by those who are so proud of their French blood that they cannot suffer that the mother-country be reduced to the inferior level of a football or a personal bid.

Romain had been bitterly criticized by the nationalist newspaper *Le Devoir*, and I was sorry that the C.B.C. followed *Le Devoir* in their broadcasting during that period. I was under the impression that the C.B.C. for a long time had

tried to appease the nationalist element in Quebec, and by doing so I think they have not invited to the radio those who would be criticized by *Le Devoir* or other extremists.

Dr. FRIGON: What about Jean Louis Gagnon?

The WITNESS: Jean Louis Gagnon came late in the picture, and he is all right. He came, as we say in French, "comme de la moutarde après dîner".

Translation

it's too late to be of any use.

There are in Quebec, a few liberals who would have something to say. Liberalism is not really encouraged by the C.B.C. I say liberals with the small "l". Now may I, with the permission of the chairman, add something, referring to another statement made here, in the minutes of evidence, No. 13, at page 683. It was about shortwave broadcasts, I think, from Berlin, Paris, Rome, Vichy, and so on. The witness said there:—

I would think personally—and this is strictly personal—that rather than spend money on that, we should spend more money on programs that will reach Canadians in Quebec instead of trying to interfere with a few people who may be listening to foreign broadcasts.

The witness says that he did not know anybody who was listening regularly to these waves. I think that many people listen to them. I personally know some people in Montreal and Quebec who listen regularly to the broadcasts from Paris, Vichy, Berlin and Rome. Before coming here I consulted some of my friends and they all told me the same thing, that they know of certain numbers of people listening regularly to these broadcasts. In certain parts of the province of Quebec the shortwaves are more clearly heard; that is, on some days, not every day. But when it is clear, it is clearer than the ordinary broadcasts from Montreal, Toronto or New York. About three weeks ago, I spent a few days near Tadoussac. We had a small radio set and we tried to listen to shortwave from Germany, France and Italy. They were clearer than any broadcasts we ordinarily received from New York in Montreal. The only station which could be heard clearly there was the small Rimouski station. From that, we could infer that many French Canadians will listen regularly to the various broadcasts as soon as they discover they can be easily heard in Canada, especially in those remote parts of the country. I think it would be a practicable idea to oppose that propaganda with a new broadcasting of our own; but as the vice-president says, there is a great lack of men for broadcasting, so I think it would be better to put interference in than to make a program without the proper men to do it.

By Mr. Coldwell:

Q. What about the Free French programs? Are they listened to from London very much?—A. Well, I think the people listen to them in Quebec.

Q. They listen to them?—A. Yes. It is transcribed here, if I understand well. Yes, it is listened to by a fair number of people.

Q. How acceptable do you think some of those broadcasts would be, rebroadcast over our own network?—A. Well, I could not make a definite statement about that. I have read the statement made before, and I think there are difficulties.

Q. I was going to ask this. Is the Rimouski station a C.B.C. outlet?—A. Yes. It is a good little station.

Dr. FRIGON: It is not owned by us.

Mr. COLDWELL: No, it is not owned by you.

By Mr. Claxton:

Q. You referred to the fact that some people listen to shortwave broadcasts from Vichy, Paris and Rome. Can you say anything as to the indirect effect of those broadcasts? In addition to the direct effect on those listening, is there any indirect effect of the broadcasts being used in the press or being spread by word of mouth or in any other way?—A. If I understand you correctly, you are asking if those broadcasts from Vichy or Paris have any effect?

Q. In Quebec?—A. In Quebec, on the press or on the public in general?

Q. Yes?—A. Well, I have not listened very often to these broadcasts from Paris, but it seems to me that some arguments for our fifth column—and there are some in every province—come directly from those shortwaves. I have no proof, though.

By Mr. Ross:

Q. That is, Pierre, for instance, who is the big man in his small community, and so on, listens over the radio and he says: "I heard so and so over the radio to-day from Berlin, and it is true, as far as that is concerned." Then he spreads that all around. That is the effect of the thing, is it not, Mr. Harvey?—A. Yes.

Q. He says: "If you want to come and hear this, you can come down to my place and listen to it if you wish." I do happen to know, as a matter of fact, that the shortwave is listened to a great deal in Quebec, because we have not got enough originations or not enough good originations to keep the listening audience on our own stations in Canada. Is not that what your judgment would be?—A. I know of a family in Quebec city, a large family, and they all gather around the radio and listen to the shortwave from Germany, Paris, and so on.

Q. That is right.—A. And in small villages also, people will gather because it is far away; and when they can pick up shortwave they listen to it. I think that is one of the dangers. Those waves could destroy the good that might be done by the C.B.C., among a certain group.

Q. I think we should have something to counteract that propaganda, should we not?—A. I do not know how.

By Mr. Coldwell:

Q. Have you any suggestions to make along that line?—A. There are only two suggestions. One I think I have read in the report. The other is that we should put interference or organize another broadcast. But if you have a new broadcast, I do not think that we have yet found a genius who would be able to counteract all that propaganda coming from outside. Then if there is no other means, we must use interference, because we are at war. The principle is bad. In principle it is absolutely bad, but we are at war. It would be what we call in French "un moindre mal".

Q. I think Mr. Claxton's question was much broader than what Mr. Ross has just taken up. From your knowledge of newspapers, do you think that the influence of broadcasts from overseas—the shortwave enemy broadcasts—is reflected in the newspapers?—A. I have no proof of that but I have the impression that in some papers these broadcasts were given certain publicity. I have not the documents here so I cannot say anything more.

Q. I was going to add, is it not probably a matter for the consideration of the committee as to whether we are doing enough of the counter—I will use the word "counter-propaganda" not only in Quebec but elsewhere. Mr. Harvey's criticism is that people listen to shortwave, that is not only true of the province of Quebec but is true of all Canada. Some of us listen to shortwave occasionally to see what we can hear.

Mr. Ross: I do not think it is done as much in the other provinces as in Quebec because we have more stations to listen to in the other provinces.

Mr. COLDWELL: You get out west and you will find people who gather around the radio at night to listen to shortwave.

The CHAIRMAN: I think that is all that Mr. Harvey has to say?

The WITNESS: Yes, and thank you.

Mr. Ross: It all goes to show how necessary our shortwave station in Canada is.

The CHAIRMAN: I had proposed to call Mr. Lewis. How long do you expect it would take you, Mr. Lewis?

Mr. LEWIS: I should not think it would take more than 15 or 20 minutes to give you what I have to say.

The CHAIRMAN: In addition to that we have the report of the sub-committee with reference to the report that was to be presented to parliament to-day. I should like the general committee to meet in camera to consider that report. Shall we have Mr. Lewis now if we can get through with him?

Mr. Ross: I think we had better consider our report to the house this afternoon. I think that is more urgent than the other. I do not think we would get through with Mr. Lewis this morning.

Mr. GRAYDON: I make this suggestion. Mr. Lewis was good enough to give us his time. I think Mr. Silverberg is also a witness. I think we should meet this afternoon and complete these two witnesses so that their examination would not have to stand off until to-morrow.

Mr. Ross: I agree with that.

Mr. COLDWELL: I do not know what is on in the house this afternoon. Is there any likelihood that there will be a vote this afternoon?

The CHAIRMAN: I do not think so. The vote may be reached to-night. Is 4 o'clock satisfactory?

Mr. GRAYDON: If there is anything serious arises in the house this afternoon we can always adjourn.

The CHAIRMAN: We will carry out the suggestion of meeting at 4 o'clock this afternoon to hear the evidence of Mr. Lewis and Mr. Silverberg.

The committee thereupon resolved itself into camera to consider the report of the subcommittee.

The committee adjourned until 4 o'clock this afternoon.

AFTERNOON SESSION

The committee resumed at 4 o'clock.

The CHAIRMAN: Order, please. Gentlemen, the witness we have this afternoon is Mr. Lewis.

CARL M. LEWIS, called.

By the Chairman:

Q. What is your full name, please?—A. Carl M. Lewis.

Q. And your address?—A. 63 Erskine Ave., Toronto.

Q. The nature of your business?—A. I am here— —

Q. No, what is your occupation?—A. By profession an author. I am covering most of those questions here. By profession an author, specializing in the subject of astrology.

Q. We would invite you to let the committee have knowledge with reference to why you want to appear before the committee and to give them your background as far as it relates to the Canadian Broadcasting Corporation or your business connection with them.—A. Thank you. Mr. Chairman and gentlemen of this committee, I am a native Canadian of several generations, a home owner, and by profession an author, and in this instance, technically speaking, a radio entertainer who, unfortunately, has been banned from earning his livelihood. Possibly by prejudice, and certainly by misunderstanding of my efforts, has this condition been allowed to maintain by the Board of Governors of the C.B.C. Since 1931 I broadcast almost daily over various stations in Ontario and Quebec, both in commercial and sustaining programs, to the satisfaction of the public and station managers, as well as my sponsors.

My program was usually of fifteen minutes duration, monologue type, a talk, with the script written by myself before the broadcast. My subject always was astrology or related to it. I told about its history since the beginning of recorded time, about the events in which it was associated, about famous astrologers and their prophetic achievements in past days. Gleaning from the many thousands of volumes in existence, in public libraries, articles, and from my own research collection, I had a wealth of material from which to compose my daily discourse. I explained the meaning of astrology, the theory of cosmic vibration and its attendant effect upon all things terrestrial; I pointed out its deeper philosophy and encouraged my listeners. I told thousands of our citizens when to plant their gardens and sow their acres, when to prune trees, when to cultivate, when to harvest. I pointed out to the listening public appropriate times for moving, and a multitude of sundry items of daily life, and when I say that I received—

By Mr. Graydon:

Q. "When to move," did you say?—A. And when to move, yes.

Q. That would be of course subject to the rent control regulations?—A. That was before.

By Mr. Ross:

Q. What horse to bet?—A. No.

The CHAIRMAN: Order, please.

The WITNESS: —and when I say that I received many thousands of enthusiastic and complimentary letters, you are also assured that there was not a single one among them negative in tone. This was most encouraging to me and my sponsors. I broadcast under the nom-de-plume of Astrolite.

This went on for nearly seven years. In early 1938, under the rules of the newly organized Canadian Broadcasting Corporation, my program came under suspicion of being under rule 7, section J, ss:i, which, briefly, forbids any mind-reader, character analyst, crystal gazer, fortune-teller, or the like, to broadcast.

By Mr. Graydon:

Q. Do you come within any of those classes?—A. Just how or why it was insinuated that my broadcast came under this heading, I do not know to this day. I was forced to appeal to the Board of Governors of the C.B.C. for a ruling, and I came to Ottawa and faced the board under the chairmanship of Leonard Brockington, K.C., on March 22, 1938. After a most thorough examination by this learned gentleman and others, after a few scripts were examined at random, I was permitted to leave. Mr. Brockington, I recall, determined that I was never offensive to any sense of taste in my talks, nor cast reflection on any race, creed or political faith. Furthermore, he said he had heard talks on astrology over the British Broadcasting Corporation recently. In short,

after submitting a typical script to the general manager, Mr. Gladstone Murray, I later received a letter from him to proceed. I was very happy. I thought I had established myself.

Without the least change in the program I proceeded until early September, 1939. At that time I was engaged in fulfilling a commercial contract over CKCL Toronto. Then came the day that Mr. Brockington resigned the board chairmanship to become the adviser to our good Premier, Mr. Mackenzie King. I recall that day well for in a few hours there arrived in Toronto a wire at the C.B.C. offices advising them to suspend Astrolite's program. On inquiry I found that it was a revival of the old rule 7, section J, ss:i clause, which I thought I had overcome previously. I recall spending much time in the C.B.C. offices in Toronto trying to determine what the trouble was. I could not seem to be able to get to the bottom of the thing. It seemed that every script I wrote suddenly had something wrong with it. Nothing would please. I even suggested that they write one whose pattern I could copy. They refused to do this. They were very courteous and I was very nice but anxious. Finally they refused to do any blue pencilling at all and I was left with the only alternative of again making an appearance before the Board of Governors. I managed to secure this hearing over a year later.

Q. When would that be?—A. On November 26, 1940, I stated my case before the board here at Ottawa, a second time, and went home. I had to write their secretary twice before I found out what became of my appeal. I learned that I was unsuccessful.

Months passed. I received letters every day from all over the country and many contained comment which was not friendly to the C.B.C. Finally I determined to enlist these supporters in a petition and hit upon an original method of printing space for four names and addresses with a brief petition appeal as follows on the back of a postcard. Each card has a number. I will just read that:—

2787

A PETITION

To the BOARD of GOVERNORS,

The Canadian Broadcasting Corporation,

Ottawa, Ontario.

We, the undersigned, desire to hear talks on Astrology over the radio in Canada.

We feel that your ban on Astrology re: Rule 7, ec. (j) (i), the "fortune-telling" clause, is misapplied and we request that Astrology be granted free and equal privilege of discussion, and, under constructive, interested supervision.

Name..

Address..

Name..

Address..

Name..

Address..

Name..

Address..

With room for four names underneath. The card is addressed to the Board of Governors of the Canadian Broadcasting Corporation in Ottawa.

By the Chairman:

Q. Did you draft this petition?—A. I did.

By Mr. Hansell:

Q. Have you any idea how many of them were sent in?—A. I am coming to that. These petition cards were mailed out. Many more were requested. Whole groups of societies, clubs, large families filled them out and sent them in to the secretary of the Board of Governors, at their own expense. They came from every part of the dominion and from friends in the United States. The actual number of names I do not know, but there was space on the cards circulated for about 16,000. You may imagine all this was quite a drain on my slender finances after being banned from earning my livelihood for over two years. No attempt was made to enlist the indifferent mass public, these names represent only those interested and they all could not be reached by any manner of means.

By the Chairman:

Q. Excuse me. Was this your only means of livelihood at that time?—

A. I would not say the only means, but it was my main means, and I proceed—

Q. What do you mean by your “main means”?—A. As I mentioned here, I was a commercial entertainer.

Q. Was the largest percentage of your income derived from broadcasting at that time?—A. At the time of being banned, yes. No attempt was made to enlist the indifferent mass public, these names represent only those interested and they all could not be reached by any manner of means. This little petition could at least represent a straw in the wind.

I learned that the board was to meet on April 17, this year. I asked the secretary to present the collection of petition cards to the board at this meeting and I also sent the following statutory declaration, a legal document drawn up by myself, signed by an attorney, and it reads as follows:—

Dominion of Canada, Province of Ontario, County of York.	}	IN THE MATTER OF Interpretation of Rule 7, Sec. (j) (i), of the Regulations for Broadcasting and the Petition of C. M. Lewis, “Astrolite,” and others.
TO WIT:		

I, Carl Mervin Lewis, known to the radio public as Astrolite, of the city of Toronto, in the County of York, script writer, do solemnly declare that

1. the Petition card forms now in possession of the Secretary of the Canadian Broadcasting Corporation, to the best of my knowledge and belief contain true signatures of those petitioning and were so signed of their own free will and without promise of consideration;

2. these Public Petitioners and the Deponent herein request that the interpretation of Rule 7, Sec. (j) (i), of the Regulations for Broadcasting so as to include the subject of Astrology be discontinued, and that the subject be henceforth granted free and equal privilege of discussion, pro and con, by any and all competent and informed persons under the constructive, interested supervision of the C.B.C.;

3. there is no information in this radio subject which cannot be found in any large bookstore or public library, including the parliamentary archives;

4. many thousands of citizens religiously have faith in and depend on astrological data for timing their actions in planting, cultivating, pruning, weeding, reaping, harvesting, weaning, butchering packing, advertising, selling, moving, social events, operations, dentistry, and a multitude of other matters coincident to daily life, and through experiencing its bountiful benefits in the past would be grateful for its present availability;

5. the more profound esoteric philosophy derived from the subject is tremendously appreciated by the people and it engenders sane, quiet and good thinking, most often in least expected quarters, all of which is vitally necessary in the present day when hope and faith are essential;

6. the program scripts will be under the usual scrutiny of the C.B.C. representatives and any matter therein thought unfitting would be deleted before broadcast time in an intelligent, co-operative fashion;

7. the Deponent herein has broadcast almost daily over Ontario and Quebec radio stations, variously, from 1931 to 1939, under the pen name of Astrolite, and found enthusiastic public interest and response to this subject, and willingly places this experience at the disposal of officials of the C.B.C. any time;

8. the Deponent herein, who owns 1942-43 Radio Receiving Licence, No. G-694021, suffered grievous injury and financial loss when banned in September, 1939, in the midst of fulfilling a broadcasting commercial contract, and has since sustained continued loss through being unable to complete the contract, or accept others, and furthermore resents public humiliation through implication that Astrology is Fortune-telling, definition of which is in the Criminal Code;

And I make this solemn Declaration conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath, and by virtue of "The Canada Evidence Act".

Declared before me at the city of Toronto,)
in the County of York,)
of Province of Ontario,)
this 16th day of April, A.D. 1942.)

(Sgd.) Marjorie REID ROBERTSON,
A Commissioner, etc.

On April 25 I received the following letter from the Canadian Broadcasting Corporation:

Dear Mr. LEWIS,

Your petition was placed before the Board of Governors at the meeting which was held in Ottawa on April 17th and 18th.

It was decided that no action should be taken for the present time at least.

Yours faithfully,

(Sgd.) DONALD MANSON,
*Secretary,
Board of Governors.*

Since I was banned in late 1939 I have not been idle nor indifferent to our war effort. Besides writing encouraging remarks in my column for a string of weekly papers, I have given public lectures and donated the proceeds to bomb victims and war services funds. Indeed, on August 13, 1940, I tried to join the navy as a wireless operator and was turned down on account of deficient eyesight. I chose this activity because I earlier had filled a militia term with the Governor General's Body Guards and obtained two certificates for telegraphy and signaling procedure. Knowing my ability and realizing how hampered I was by not being on the radio and unable to help win the war, even economically, I racked my brains to the extent of sending in suggestions to the Inventions Board of the National Research Council. Their record will show under file No. 13-L-282, that

on October 9, 1940, I sent a description of how anti-aircraft guns might be automatically aimed and fired at enemy planes travelling overhead at night. Their record will further show that as recently as January 12 of the current year I offered to teach army field officers about to go on foreign service sufficient astrology that they might be able to anticipate and prepare for enemy attacks, thus saving many lives. The Japanese have utilized astrology for timing military attacks for many centuries, while the Germans, even Hitler, are widely using it. It is on record that the Germans paid the astrologer Raphael a gratuity of £200 for successfully deciding their invasion date in the Franco-Prussian war. And this war, science will find before it is finished, is one in which the test tube will be left far behind and we will step forth into regions of nethermost darkness groping for light.

The truth about astrology is so widely known to-day that no one could impersonate it very long, and certainly not over the radio. As I have often said, the best guardians of radio are the public themselves. Even make a mispronunciation and the public will tell you about it.

The public like to hear talks on astrology and they have said so. Surely, now that everyone has given up so much in the way of pleasure, should these persons be refused such a simple thing as a favoured radio program? This is a petty thing; it is a molehill that has loomed in someone's eyes like a mountain.

The honest and conscientious exponents of astrology in the United States and Canada have formed themselves into an organization—and it is still in existence—for the protection of the public and astrology too. It is the American Federation of Scientific Astrologers with headquarters in Washington, D.C. They have a stern code of ethics and exercise disciplinary action over astrology in any community.

On September 15, 1941, they sent the following letter to the Board of Governors of the Canadian Broadcasting Corporation. I will read first the list of officers: George J. McCormack, president, P.O. Box 332, Warren Point, N.J.; Edna L. Scott, first vice president, 814 West 43d Place, Los Angeles, California; Howard M. Duff, second vice president, 2362 Euclid Ave., Cleveland, Ohio; Edward Doane, third vice president, 505 Congress Bldg., Miami, Florida; Martha E. Knotts, corresponding secretary, 619 Allegheny Ave., Pittsburgh, Pa.; Dr. Gustave Ekstrom, recording secretary, 3013 Holmes Ave., Minneapolis, Minnesota; Warren L. Tiller, treasurer, State Planters Bank Building, Richmond, Virginia; Ernest A. Grant, executive secretary, 1520-28th Street, S.E. Washington, D.C. This letter from the American Federation of Scientific Astrologers, dated September 15, 1941, and addressed to the Board of Governors, Canadian Broadcasting Corporation, Ottawa, Ontario, Canada, reads as follows:—

Gentlemen;—By the action of the American Federation of Scientific Astrologers, which includes Canadian members and affiliated organizations, at its annual convention in Cleveland, Ohio, I was directed to file protest with radio broadcasting officials concerning the attitude of such officials in barring genuine astrology from being properly presented and discussed over the radio, particularly as an educational feature.

It is our understanding that you have included astrology under Rule 7, Section J, ss.i, covering fortune telling.

This organization is as bitterly opposed to fortune telling as an individual or group of individuals can be. It has worked with federal officials and will gladly co-operate with Canadian officials, in eliminating the charlatan who attempts to prey upon the credulity of the public by the perversion of astrological knowledge to such purposes. Genuine astrology is not fortune telling and the courts in the United States, in different communities have repeatedly so held. I am not acquainted with any Canadian decisions in this regard at the moment, but if desired can cite for your information cases in this country.

Those of us who have thoroughly investigated astrology over long years of research know that astrology is a study of the relationship between terrestrial and celestial phenomena, all of which is measurable by scientific principles. These are not understood to be forecastable as to precise events in the lives of individuals, so much as they are essentially influences or phenomena determined by mathematical formulae following astronomical principles.

We therefore uphold the principle that fortune-telling, or forecasting events in the lives of individuals, should be banned from radio usage, but that the genuine presentation of the science of astrology should not only be permitted, but should be invited to participation on radio programs, on the part of those students and investigators of astrology who are recognized as authorities on the subject.

It is therefore urgently requested that the above-mentioned rule be reconsidered, if necessary holding a hearing on the matter, with a view to have this rule rescinded or amended to permit the proper presentation of genuine astrology as an educational feature from time to time over the radio.

Permit me to advise that the United States government, in the matter of taxation, has recognized that this organization is an educational body engaged in research and educational matters for the advancement of knowledge. Thus, it might be argued, you may find a precedent for favourable consideration of this matter.

This matter is also being taken up in this country, but here it is not a governmental matter, but rather one related to private enterprise through the National Association of Broadcasters. I am informed that the Federal Communications Commission has not specifically placed a limitation on the proper presentation of astrology, for I personally, after speaking on the subject over a local station, was invited to speak again the following week by the manager of the station.

I shall appreciate it if I might receive a copy of the Rules and Regulations of the Canadian Broadcasting Corporation.

Cordially yours,

ERNEST A. GRANT,
Executive Secretary.

He presumably received a reply from Mr. Murray, including a copy of the rules of broadcasting. Here is a copy of his letter to Mr. Murray, dated October 4, 1941, in acknowledgment:—

My dear Mr. Murray:—Thank you very much for your letter of September 22nd, forwarding to me a copy of the C.B.C. regulations.

I have carefully read Regulation 7, particularly subsection (j), together with the note to this regulation at the foot of page 8, and wonder by what reasoning the subject of genuine astrology has been placed in this category. I appreciate that the average person who has not investigated astrology and who reaches his conclusions as to what it actually is from the misinformation that abounds concerning it, might believe it to be some form of necromancy. But this is far from the fact that those responsible for the wide educational possibilities of radio have a duty to perform to the general public in aiding the genuine astrologer

to eliminate the faker and charlatan from the public confidence by presenting programs that will tend to show what real astrology is. Astrology is a science and a fact that can be definitely proven to any unbiased individual or group.

Will you please advise me of the action contemplated by the Board of Governors on my request of September 15th?

Cordially yours,

ERNEST A. GRANT.

Mr. Grant, by the way, is, I understand, the son of the late Rev. Dr. Grant, famed as the beloved dean of Upper Canada College for many years.

Mr. CLAXTON: I doubt that very much.

The WITNESS: I received a personal letter from Mr. Grant stating that.

By Mr. Ross:

Q. Which Mr. Grant is that?—A. From the executive secretary of this organization. I said that I understood him to be the son of the late Rev. Dr. Grant, famed as the beloved dean of Upper Canada College for many years.

Q. Dr. Grant is not from Upper Canada College.

The CHAIRMAN: His son was—Bill Grant.

Mr. Ross: Which?

The CHAIRMAN: His son was.

Mr. Ross: He was not from Upper Canada College. The late Rev. Dr. Grant was principal of Queen's University.

The CHAIRMAN: I say that his son was dean of Upper Canada College—William Grant, a son of Rev. Daniel Grant.

By Mr. Ross:

Q. What were his initials?—A. I don't know.

Q. This man is a son of whom?—A. I understood in his letter to me, a personal letter, that he was the son of the late Rev. Dr. Grant who was the beloved dean of Upper Canada College.

Q. He is not the beloved dean of Upper Canada College and he is not the son of the beloved dean.

Mr. GRAYDON: Perhaps we should apply some astrology to this, and get the correct information.

The WITNESS: You may take his address and write to him.

Mr. Ross: I want that cleared up.

The WITNESS: It may be a misquotation on my part, but that is the actual fact. I have no reason to disbelieve him. He is either the son or the grandson, or he is certainly related to Rev. Dr. Grant, because he mentioned it very specifically.

Mr. Ross: Dr. Grant of Upper Canada has not a son old enough; I know his sons, and I know that is not his son.

The WITNESS: Well, at any rate this gentleman is related to the late Rev. Dr. Grant who was famed as the dean of Upper Canada College.

Mr. Ross: I should think we would want more than that.

The CHAIRMAN: It is immaterial, anyway. Proceed, Mr. Lewis.

The WITNESS: In closing, I cannot too strongly urge this committee to recommend that a greater degree of leniency be granted to conscientious radio

speakers on any subject. Surely there are enough blue pencil wielders eager to place their disapproval upon any topic from knitting to designing wallpaper. Furthermore, it is very mean and unfair to ban a daily speaker from the air without warning. If he is getting "off key" he should be called in and told so. Many great writers find it difficult to write for radio because there are so many lesser intellects who desire to superimpose their impressions in blue, so that by the time the script is ready for the air the radio version is not on a par with what one would read in the press. Many newspapers to-day contain daily astrology columns written in an impersonal vein. All news stands carry various astrology magazines which are readily sold out. Why not make radio more popular by including this most popular subject? Radio licences would be more eagerly bought by thousands of astrology enthusiasts and public morale would be greatly improved.

Now, gentlemen, I must say, whether you believe it or not—and you have kidded me quite little a bit—that this has been quite an historical occasion. This is the first time since 1651 that an astrologer has appeared before a House of Commons Committee. At that time, in the reign of Charles the First, William Lilly was summonsed before a committee of the House of Commons in London, regarding the prediction of the fire of London, which was fulfilled.

By Mr. Coldwell:

Q. What happened to him afterwards?—A. It is on record, as a matter of fact, that he was welcomed with great dignity and dismissed with great civility. I hope that turns out to be the case here. At any rate, I wish to thank the members of this committee for so attentive a hearing. I shall always remember this occasion. To me, it is that thing we are all fighting for: Democracy, working in Canada at its best, better than anywhere else in the world to-day. I thank you, indeed.

By Mr. Graydon:

Q. Was there any great objection raised to your broadcasts by the listeners generally?—A. No. I have never received any abuse or anything like that, or criticism; not at all. In fact, it was all complimentary.

Q. What was the reason you were dismissed then?—A. That is what I am trying to find out. As I said, I could not trace it to the bottom.

By Mr. Slaght:

Q. Did you have a contract?—A. I had a contract with my sponsor which was rudely broken, and I was unable to fulfil it for the sponsors.

By Mr. Graydon:

Q. Did you take any legal action?—A. No, I did not.

Mr. SLAGHT: Why?

By Mr. Ross:

Q. Were you banned from all the stations?—A. Any station in Canada this rule applies, naturally.

By Mr. Slaght:

Q. Why did you not take legal action if you felt that you were injured?—A. Well, I do not like to run to the courts. I believe that these things can be talked out if it is a case of misunderstanding; and that is what I am trying to do.

Q. Do you think we should make a recommendation in individual cases where there is a difference between the management who are backed up by the board, as to one of the 658 individual employees? Do you think that this committee is the place either to discipline the management and the board, or to restore the employee, no matter how much in good faith he comes here with a plea of the kind you have raised? That is what is troubling me about your case.—A. No. This matter has been brought up before the board of governors.

Q. And they were against you, as I understand it?—A. Apparently my appeals were of no avail.

Q. Would you suggest that we should interfere with their administration in their selection of programs?—A. I believe, and I strongly urge, that you could bring in a recommendation that greater leniency be given to all speakers, whether it is on astrology, history, or paper-hanging or whatever it is. Democracy—we must practise it and not pay lip service to it.

Q. If we take your case up and discipline our board of governors and our management—A. Pardon me. I do not believe it calls for a matter of discipline.

Q. Then if we over-rule them and direct them to take you back on, do you not think we open the door for the 657 other employees who might be let out, to come and plead the case here? It cost a lot of money to receive you this afternoon.—A. I am not an employee of the corporation or ever was, nor of any radio station.

Q. We have that many employees, I understand.—A. I do not know, sir.

By Mr. Isnor:

Q. Mr. Lewis, you said that you had a contract in 1939. What was the period of the contract?—A. The contract that was broken called for thirteen weeks over CKCL in Toronto.

Q. That was in 1939?—A. Yes.

Q. How many contracts did you have from 1931 to 1939?—A. I have no record of it.

Q. Roughly?—A. About one or two a year.

Q. One or two a year?—A. Yes.

Q. Could you tell us one of your sponsors?—A. Yes; the Imperial News Company sponsored various newspapers like the London *Times*, *Punch*, *Mirror*, stuff like that. They used to plug three different papers, one in the middle and one at each end.

Q. When was your last contract?—A. It was just prior to the time of the Coronation. I know the Coronation numbers were going very well. The Coronation occurred in 1937, I believe.

By Mr. Slaght:

Q. Did you carry on a question box?—A. No.

Q. Did you invite your listeners to ask questions?—A. No. There were no invitations to ask questions nor did I invite correspondence whatsoever. If I had invited correspondence, I would have needed a staff of secretaries to answer it.

By the Chairman:

Q. Who were your sponsors at the time this contract was broken?—A. It was the Cedarvale Farm Dairy.

Q. Did they continue with your commercial contract, to fulfil it?—A. No. The way a contract is made, it is made with the radio station.

Q. Yes?—A. And in this case the sponsor was unable to complete his contract and the radio station did not take any pains to enforce the contract. In fact, the whole matter was dropped until we could get the matter straightened out; and I am still trying to straighten it out.

By Mr. Graydon:

Q. The real point involved, and the reason you come before the committee was not the straight question of your reinstatement so much as it was that there was a principle involved as to whether or not astrology came within the purview of that provision which provided against fortune-telling and other kindred devices?—A. That is it.

By Mr. Slaght:

Q. Would that not be a matter for the courts?—A. Not necessarily so. There are plenty of legal decisions on that. Take the case of R. H. Naylor, premier astrologer of Great Britain, who writes in the *Sunday Express*. Some common informer placed a complaint of fortune-telling against him; I think it was about three years ago. It was tried at Temple Bar by the Lord High Chief Justice in London. Judgment was handed down that astrology was not fortune-telling.

By Mr. Isnor:

Q. With regard to this contract that you mentioned, it was for a fifteen-minute period?—A. Yes.

Q. Thirteen weeks?—A. Yes.

Q. I suppose that whole contract would just be a matter of once a week?—A. No, pardon me. It would run about four or five times a week; if my memory serves me right, I was on five times a week during 1939, and that ran for thirteen weeks.

Q. What about this string of weekly newspapers? Are you still writing for them?—A. Yes.

Q. How many newspapers would that be?—A. There must be six or seven. It is the *Tribune Press* in Toronto. I also publish pamphlets. I am the author of pamphlets that are sold throughout the Dominion, and are widely advertised in the *Toronto Star Weekly*.

By Mr. Coldwell:

Q. What type of broadcast do you give? You say you did not forecast individual events?—A. No. In fact, there is a rule in broadcasting against it. It is against the broadcasting law for you to address any individual with a message. That mode of communication is left to the telegraph companies and cable companies. It is against the law to address any individual personally over the radio; and naturally it was impossible for me, if I wanted to, to address any one individual over the air.

By Mr. Graydon:

Q. May I ask you this: you made some reference to pruning and the putting in of gardens and crops?—A. Yes, sir.

Q. Have you had any conversations or any collaboration with the various departments of agriculture on that point in Ontario?—A. No, I have not, sir.

Q. You have not been asked in by the department with respect to matters of that kind?—A. No, I have not.

Q. Have they ever sought your advice with respect to the planting of crops and the pruning of trees and so on?—A. Not to my knowledge, no.

Q. Well, have you ever been wrong?—A. I have been wrong quite frequently.

Mr. GRAYDON: Of course, you are not the only one that gets into that category once in a while.

By Mr. Coldwell:

Q. You do not propose to be able to forecast the events in the lives of individuals, what types of forecasts do you make to develop interest in your broadcasts; events in the lives of nations, and that sort of thing?—A. No. For instance, here is a typical script: in this I mention that in Mexico we find pyramids built by some long-forgotten race; and in South America the remains of temples and similar monuments have been found; in England, in Somersetshire, in the Vale of Avalon, we find that giant round table of legendary King Arthur, ten miles in diameter it is, and only recently discovered by army planes engaged in aerial photography map-making; and things like that.

By Mr. Graydon:

Q. At its worst it is very harmless sort of propaganda that you put over.—A. I tell you, gentlemen—

Q. Just a minute, please; without going into the question of whether you should be on the air or whether you should not, there is one thing about you, you are doing no harm to anybody especially in any event?—A. I would certainly go out of my way a great deal in order to avoid doing anyone harm at any time.

Q. That does not necessarily mean that you ought to go on the air!—A. I can see no reason why astrology, properly presented, or any other topic, should not be discussed pro and con in straight discourse, or debate on the air by means of radio.

Q. Don't you think that the management of the Canadian Broadcasting Corporation are quite within their rights in determining what type of program shall be submitted over the air?—A. I agree, that that is correct; but this involves a principle, and here you have one or two gentlemen comprising a committee and perhaps not one of them has spent more than half an hour of his whole sixty-five years on the subject of astrology and yet he attempts to pass judgment on that subject; on the other hand, I have spent a whole lifetime at it, yet he, having only spent, say, ten minutes; why should he say that it is all wrong?

By the Chairman:

Q. Well, don't you think that they would be in a much better position to determine whether it was the type of program that would appeal to the listening public than anyone else?—A. I am basing my claim of the fact that astrology is popular by the responses that I have received.

Q. What is your response? Thousands mean nothing to us; have you anything more accurate than that with respect to any definite period?—A. If I may illustrate: one night over CFRB in Toronto copies of my talk were offered and I received 853 requests for it as a result of that one broadcast.

Q. Those were mostly from Toronto?—A. Yes.

Q. That was astrological material?—A. Oh, yes.

Mr. SLAGHT: There was nothing from Renfrew at all?

The CHAIRMAN: No, nor Parry Sound. Are there any other questions?

By Mr. Slaght:

Q. Did you tell us where you received your education in astrology?—A. There is no school in this country for astrology; except, perhaps the First Temple of Astrology in Los Angeles; and I have always been, ever since I could

read—my father had books and things around, and I used to read them; and I have bought pretty nearly everything there was on the general subject of astrology and I think I have perhaps the most extensive occult library in Canada.

Q. The largest what?—A. Occult library.

Q. Is it mathematical?—A. It is, sir. I can show you in the book here, text books—not text books, mathematical books that are very costly—done in leather on bible paper—with planetary tables showing the positions of the planets at Greenwich time for each day and each hour of the day for over a hundred years. I can tell you where the moon would be, say, at 3:15 on the afternoon of January 3, 1949, giving the latitude and declination.

Q. Do you forecast favourable eras for financial investments and point out dangerous eras for financial investments?—A. We are going into a realm here that is rather unfair questioning; what might be good for one person might be poison to another.

Mr. SLAGHT: You had better let the chairman be the judge of what is a fair question and what is not.

The WITNESS: Thank you.

By Mr. Slaght:

Q. I was not endeavouring to make any sarcastic remark or to laugh at you in any way, but I have read these so-called astrological charts, I think I bought one for a dollar once, which purported to indicate all sorts of future favourable and unfavourable eras for various types of activity, both with respect to human activities and natural phenomena. I was wondering whether your study of astrology takes you into a field of that kind or whether it does not?—A. The almanacs do that. That does not come under the scope of the radio presentation of astrology.

Mr. SLAGHT: I am not speaking of the radio at the moment, but of the science, if you call it such.

By Mr. Graydon:

Q. It would be very interesting to have a sample broadcast of the type that you give. The sample which you gave does not seem to me as being material which would be very interesting to the public. It seems to me that there must be something a great deal more than that that would draw them to the radio; not just something about King Arthur and his Knights of the Round Table and that sort of stuff; but rather in connection with the agricultural end of this thing which you referred to in your evidence. Can you tell me what you tell the farmers about the crops and their pruning and planting and so on?—A. I do not think I have it in the material which I have with me.

Q. But you should remember generally what you tell them?—A. We base that upon the position of the moon; there are certain cyclical conditions that are known as favourable signs, and when the moon is going through certain signs the effect would be such and such—suggesting a condition that would be favourable for planting; or, say that in a day or two the moon would be out of a certain sign and it would be more propitious for doing a certain thing. We make the whole thing safely general and it is I believe quite harmless.

By Mr. Slaght:

Q. Take a case where you advised on when to plant, and you say very frankly that you are wrong at times; to what do you attribute the error in interpretation of the moon and signs or in the failure of your science of astrology to be accurate; was it in the human interpretation or was it where you found, from actual subsequent events, that you were wrong—what was the cause of the error that you discovered?—A. There might be several factors to make you wrong in

making diagnoses. You have symptoms to make your diagnosis on and you chose one and you are wrong; then, again, if a farmer went to plant his seed on a given day and he happened to have seed that has been laying around the granary for a couple of years and the seed didn't come up—well, it wouldn't have mattered what day he put it in, it would not have come up anyway. There are other series of factors, such as drought, floods and that sort of thing that interfere with the natural processes of nature.

Q. The moon does not take care of these anonymities?—A. It does not.

By Mr. Graydon:

Q. You spoke of having people respond from the cities to your broadcasts?—A. Yes.

Q. I am interested in what has been the response made to you from agricultural populations to these broadcasts?—A. I am glad you brought that question up; I would say that the mail would be nearly fifty-fifty. I receive a great many letters from gardeners out around Woodbridge.

Q. You are pretty close to a very good part of the country now.—A. Pretty generally out around there—Barrie, Orillia, down through the Middlesex district and around Grimsby and along down the eastern portion—Cobourg, Prescott (perhaps not that far, that is a little outside of our territory)—this side of Kingston, and by that I mean on the Toronto side of Kingston.

Q. If you were permitted under the regulations of the C.B.C. to continue your broadcasts would you have sponsors who would still be interested in taking you on?—A. I would, sir.

Q. You are sure of that?—A. Yes, sir.

Q. So there is a considerable demand for your type of program?—A. There is, sir.

By Mr. Ross:

Q. What type of forecasts do you make besides farming?—A. Well, on the radio, as you perceive here to-day, there are people of many opinions who might take your words in a certain way; and one has to be very careful and very general in what you give over the radio, it must be inoffensive and harmless and at the same time interesting. I might tell them that to-day there are certain aspects between the planets and the moon that are very unpropitious, we will say, for air travel; and to undertake an air trip later in the afternoon—well, you just flirt with danger, that is all—there is a peculiar element, an unknown dimension there. Then, again, the moon might be in another aspect which would interfere with moving; for instance, there are days when you move into places—I have told landlords not to let a tenant move out on a certain date or their place would be empty for months and they would not get it rented—anyway, you see there must be some reason to it.

Q. What has the moon got to do with the tenant moving out?—A. I am coming to that point; on certain days the moon has a certain relation to fixed signs and certain of those are taken to be propitious and certain the reverse.

By the Chairman:

Q. Isn't a lot of what you teach or preach as astrology generally regarded by a great proportion of the population as superstition?—A. By the misinformed, yes; I would say so.

By Mr. Slaght:

Q. Did you use signs to predict the day when you made your contract?—A. As I mentioned before, sir, one can follow with the best intentions the

principles of astrology, but there are cycles after cycles and wheels within wheels, one of which overrides the other and can interfere with any particular situation, even after it is set in motion.

Mr. GRAYDON: I think that Mr. Lewis has contributed very considerably to the discussions of this committee and I am glad he came here. I do not know what we can do for him. I think the fact that he has covered such things as he has ought to entitle him to some consideration by the Board of Governors by way of a review, or something of that sort.

Mr. SLAGHT: I should say also that Mr. Lewis has addressed the committee with considerable restraint, moderation and dignity.

The CHAIRMAN: I think I can assure Mr. Lewis on behalf of the committee that the matter which he has brought to our attention will receive the consideration of the committee.

The witness retired.

HARRY SILVERBERG, 209 Grace Street, Toronto, called.

By the Chairman:

Q. What is your full name?—A. Harry Silverberg.

Q. What is your address?—A. 209 Grace Street, Toronto.

Q. What is your occupation?—A. Salesman.

Q. Were you formerly an employee of the C.B.C.?—A. I was employed by the C.B.C. three years; from the spring of 1937 until the spring of 1940.

Q. In what capacity were you employed?—A. I started on publicity and I did fan mail for about two years.

Q. Why did you sever your connection with the C.B.C.?—A. I didn't sever it, they kicked me out.

Q. What date was that?—A. December 1st—well, I was kicked out three times.

Q. How did you happen to be kicked in twice?—A. Well, I will take this in chronological order otherwise you will never be able to understand the situation.

The CHAIRMAN: We are not interested in your release from the broadcasting corporation but we will allow you to lay before the committee any complaints which you have, and while we are not attempting to limit the length of time of any witness I just want to express to the committee that we will have to attempt to make haste this week in order to finish our work. All right, proceed.

The WITNESS: Well, to start with, this matter being quite contentious, I think it is a political subject all around—

Mr. SLAGHT: Is this gentleman invited to come here, or did he request it?

The CHAIRMAN: He made the request himself, but like any other person who has made a request to come before the committee, they have been given an opportunity either to appear in person or submit a brief with reference to their complaints. Well, Mr. Silverberg chose to come at his own expense before the committee.

The WITNESS: To start with, I have been quite active in politics for years. In fact I worked hard for Sammy Factor in the Spadina riding in 1930 and in 1935, and when he was elected in 1935 there was a reference that there were going to be a number of changes in the Canadian Broadcasting Corporation personnel and I asked Mr. Factor if he could get me a position in the Canadian Broadcasting Corporation. He saw, I believe, Mr. Gladstone Murray, for a period of about six months it was.

The CHAIRMAN: You don't need to go into all that, when did you get employed with the C.B.C.?

Mr. GRAYDON: I think there is quite a principle involved. I had no idea that this witness was going to give us this bit of evidence; there is a principle involved here.

Mr. ISNOR: What is the principle?

Mr. GRAYDON: It will develop as time goes on.

The CHAIRMAN: Proceed. We cannot argue whether there is a principle involved until we hear it.

Mr. GRAYDON: The fact somebody who is a member of parliament approaches the C.B.C. chairman in that manner in which it is suggested would indicate that there is a principle involved. However, I do not want to elaborate on it now.

The WITNESS: I am not trying to knock Mr. Factor; he is a good friend of mine as well and he was trying to help me. That is my personal opinion. I do not see why a member of parliament cannot ask an executive head—

The CHAIRMAN: Proceed. Let us know how you got your job.

The WITNESS: All right.

By Mr. Slaght:

Q. Let us know how and when you got it.—A. All right. I am considered a publicity man. At that time, when I applied to the Canadian Broadcasting Corporation I secured two letters of recommendation from Mr. Vernon Knowles, at that time managing editor of the *Daily Star*, and Mr. John Scott, managing editor of the *Mail and Empire*, which shows I must have known something about news publicity or these men would not recommend me. I sent them around with Mr. Factor to Mr. Murray. I came up for an interview with Mr. Bushnell and Mr. Taggart. Mr. Bushnell is head of the programs department and Mr. Taggart was, I believe, station manager of CRCT which is now CBL. I was interviewed by Mr. Bushnell. He told me—he says he will try to place me because if he could do a member of parliament a favour he might get a favour in return. These are the words he used to me. Three or four weeks went by and I severed my connections with other sources because I was given to understand I was going to join the Canadian Broadcasting Corporation on April 1, 1937.

By Mr. Graydon:

Q. Who told you that?—A. Mr. Factor told me that and told me that Mr. Murray promised that to him. Three weeks went by and Mr. Factor thought that possibly there was the possibility of my not going into the corporation, and I was quite peeved about it, naturally, because I severed my other connections. So he phoned up Mr. Murray and I do not know what happened, I know a boy friend of mine came down to the *Daily Star* and said, "Rush up to Mr. Weir, who is head of the commercial department of the Canadian Broadcasting Corporation." And I went up to see Mr. Weir and the words used were these. He received a memorandum or teletype from Mr. Murray from Ottawa that I was hired as a director of publicity for commercial programs for the Canadian Broadcasting Corporation. I was quite delighted. He said to me, "The only thing is I do not know if there is such a job, there is no such work." So here I got the job and the job falls on me.

Q. A job that was not a job.—A. A job that was not a job. To be frank I don't know, and then Mr. Murray said I failed on the job I never had. In this case I took this job they gave me. The next morning I was given an office and a brand new desk and a typewriter—

By the Chairman:

Q. Where was this, in Toronto?—A. 1 Hayter street, Toronto. They gave me the Canadian Broadcasting manual. I read it until I knew every word; still no work. I complained to Mr. Weir. He says, "The only thing you can do is to go up to CRCT and ask Mr. Taggart to see if he can do anything for you." I went to see Mr. Taggart. He brought in a young lady who is in charge of publicity, and I was to place myself under the young lady, be her assistant. I was willing to work; I was green at radio publicity, mind you, very green. I had done sports publicity but I wanted to get the swing of things. The trouble with me, I was assistant but did not see that office; I was never in her office; I never received any work and for three months about, I was just ready to drop out.

By Mr. Graydon:

Q. Who was the boss?—A. This young lady, Miss Ball. She was my immediate superior, and then the station manager.

By Mr. Slaght:

Q. Who hired you?—A. I guess Mr. Weir down in the commercial department.

Q. What do you mean "guess", don't you know?—A. He did.

Q. Who gave you the instructions as to what your duties were?—A. I was supposed to do commercial publicity.

Q. Don't tell us what you were supposed to do if you want to be helpful to us. Who gave you your instructions as to what your duties were?—A. Regarding commercial work or the programs?

Q. Regarding your duties to earn your pay?—A. Miss Ball. She was the head of publicity in the CRCT at that time, but she did not give me any work.

Q. What did she do; did she instruct you?—A. She did not instruct me, she just said, "Read the publicity."

Q. What?—A. She did not instruct me in any part of the work of what I was going to do.

Q. Who did instruct you?—A. Nobody; that is the trouble, I was not getting any work. I wanted some work; I never got any work to do.

By Mr. Graydon:

Q. A job without work?—A. Exactly what it was; it was a political job, for I got in with political influence, but I wanted work to earn my salary. I used to blush when I was paid my salary.

By Mr. Isnor:

Q. How long did you work without work?—A. Three months without any work. Finally Miss Ball went away on her holidays. She says, "Well, now you can take over". I said, "Well, I do not know anything about the work". I went ahead and did the work I was able to do. For three weeks I was very busy. Miss Ball came back and she said, "Now, I have got a swell job for you of clipping papers." I said, "Don't tell me I am getting \$30 a week to do that." I did that for about six weeks. After I finished that I went to Mr. Taggart and said I was not being made of any use up there, I was simply an extra appendage and it was not fair to him or anybody else. So he brought in Miss Ball and he says, "Mr. Silverberg is complaining of not getting any work. We will have to change that." So he changed it. I did a certain amount of work and she did a certain amount of work. I forgot to tell you about something there. This so-called commercial publicity work was supposed to last for six months.

By the Chairman:

Q. Now, proceed and tell us in chronological order what you did and how long you were there.—A. Certainly. I am trying to do that. It is five years ago and I have a few notes in front of me.

Q. You have it written down?—A. About five months later I received a notice of dismissal. That is, a matter of six months or so and they gave me a month's leave notice. I was not sorry because I certainly was disgusted with the job; certainly disgusted with the Canadian Broadcasting Corporation's handling of employees. I tried to work. I complained of not working, and still there was no work.

By Mr. Slaght:

Q. What do you mean when you say "I was disgusted with the Canadian Broadcasting Corporation's handling of employees"? Who were you disgusted with?—A. With my senior officials, I should say.

Q. Who?—A. I guess with Mr. Taggart. Really, I was disgusted with Miss Ball. She would not give me any work.

By Mr. Graydon:

Q. You had better be careful being disgusted with a young lady.—A. She is a very fine lady, nothing personal.

By the Chairman:

Q. Did you make a complaint to Mr. Taggart?—A. I did, and he divided up the work. Then I received my notice that I was leaving. Well, to be frank, I was a little sorry then because my work was fairly interesting at that time.

Q. You said you were not doing anything.—A. When Mr. Taggart divided the work up, I was working. However, in the final months—

Q. Then, at the end of the six-months what happened after that?—A. About ten or twelve days before I was supposed to leave the corporation I was in the hallway of CRCT and Mr. Taggart called me in and he says, "I see you are leaving." I said, "Yes." He said, "It is too bad; would you like to stay?" I said, "I would like to stay if I had a lot of work." They said, I did not have any job. I was getting \$1,500. He said, "We have lots of work and if you stay that is swell." So at the end I knew I was hired. He said, "You do not want to hold out for publicity work. You are not cut out for publicity. We will put you in as a clerk." So I was hired as a clerk, grade III, still at the salary of \$1,500 a year.

Q. You never were actually discharged at that time?—A. No, I was dismissed.

Q. But the dismissal was rescinded?—A. Yes.

Q. You continued to work?—A. Yes.

Q. That is one of the three times you said you were hired and fired?

Mr. HANSON: He said he was kicked out three times.

Mr. GRAYDON: Kicked out three times and kicked in twice.

The CHAIRMAN: Go ahead.

The WITNESS: Mr. Taggart said he had a lot of work for me. I said, "That is fine; what am I supposed to do?" He said, "Well, you are going to work in the music department, the publicity department and some other department." I said that I do not like that kind of a job where I was kept running around. In other words, there was nothing of the kind—

The CHAIRMAN: Now, listen, let us proceed orderly. Tell us what you did. We do not want what you said and what the man said and so on and so forth. Go ahead and give us your story with reference to your employment with the C.B.C. and then we will be able to follow you.

The WITNESS: Finally Mr. Taggart called me in one day and said, "Would you like to do fan mail?" There is one program called the Happy Gang, one of the outstanding programs in Canada, and thousands of letters a week come in in regard to it. He asked me to handle the fan mail, take out request letters that come in in relation to musical numbers and that sort of thing. It was not bad work. I said, "All right, fine." I kept going at this work for about two years. During the interval of two years—now, I am starting to go back on the chronological order. Mr. Taggart kept telling me one day at a party down in an hotel in the east end, in his honour—he had been over to England on an exchange with the B.B.C. He said to me he would like to meet Mr. Factor because he wanted Mr. Factor to go to the general manager and wake him up regarding program work. He did not think that Mr. Bushnell was doing good work. Mr. Taggart was my friend. I did not say anything. I said, "All right, O.K." Mr. Bushnell went to England. He came back and there was another party at the same hotel. He reminded me he still had not met Mr. Factor. I said, "Oh, yes." I kept stalling because I did not want to have any part in this sort of thing. This went on for a number of times and finally—

By Mr. Isnor:

Q. Which, the parties?—A. No, not the parties. I finally told Mr. Taggart that I could not do anything for him. I said it would be silly if I mentioned that to Mr. Factor. I said, "You do not want to start anything like that, it might do you more harm than good." He was quite peeved. He said, "All right." On another occasion—this was the time that Mr. Factor sat on the parliamentary Radio Committee in 1939. Mr. Factor made a motion to cut the radio licence fees from \$2.50 to \$2, which if it had gone through after being recommended by this committee would have meant the C.B.C. losing \$750,000 to \$1,000,000 in revenue a year. Is that correct?

By Mr. Slaght:

Q. What has that got to do with this?—A. Well, plenty. The same day that appeared two employees came out to me and told me that if I did not get Mr. Factor to withdraw that motion that I was going to be fired. I wired Mr. Factor—

By Mr. Hansell:

Q. When you say two employees— —A. Yes?

Q. Employees?—A. Yes.

Mr. GRAYDON: What year was that?

By Mr. Hansell:

Q. Office boys?—A. No, one was in charge of the recording department. I can give you the names if you want them; I am willing.

By Mr. Graydon:

Q. What year was that?—A. I believe in the spring of 1939 he made that motion.

Q. In the house?—A. No, right here in this committee. You can look up your records and you will find that is the truth. I believe Mr. Murray would know about that.

By the Chairman:

Q. Would you please tell us what you know?—A. These employees came up to me and they said, "If we do not get Mr. Factor to withdraw that motion Hitler is going to get you," or something to that effect. I said, "You had better be careful as to what you say." Then a fellow by the name of Sydney Dickson, the head of the recording department, came up to me and said, "Look, you are going to get it; we are going to lose a million dollars on account of you. You will be the first one to get out of the corporation if you do nothing about it." I never talked to these fellows, never mentioned the name of Factor to these gentlemen. That is the odd part of it. But immediately that night I wired Mr. Factor. I said, "I do not know what this is all about, but I have been threatened with losing my job on account of your motion."

By Mr. Hansell:

Q. Were these men officials?—A. One was a producer.

Q. Did they have any right to fire you?—A. No.

Q. The picture it brings to my mind is that they were just having a little game.—A. It was more than a little game because they were quite serious about it.

Mr. SLAGHT: Mr. Chairman, speaking for myself may I say this young man is here at his own request. He has recited a lot of irrelevant and trashy stuff in my view, even if it is true, the last part of it. I do not think that the time of this committee should be occupied with that kind of nonsense.

The CHAIRMAN: I quite agree with you.

Mr. SLAGHT: Is that going to help us to reach any conclusion to report to parliament? He apparently did not believe the story himself because he says they had no power to discharge him. I think we have something else to do other than spend our time with this.

By the Chairman:

Q. Let us have your complaint against the C.B.C.—A. On December 1 I received my notice of dismissal.

Q. What year?—A. 1939. I received my dismissal notice.

Q. That was No. 2?—A. That was the second firing.

By Mr. Rennie:

Q. Who was the notice from?—A. From Mr. Gladstone Murray. I was discharged. I was partly broken hearted about it—

By the Chairman:

Q. Never mind that part. What happened?—A. I was discharged. From a friend I found that Mr. Murray sent a letter to Mr. Factor saying that I had about six different jobs and I had failed on them all. Here is what he said in his letter. I will quote the letter Mr. Murray sent to Mr. Factor.

Q. Where did you get that?—A. Mr. Factor gave it to me.

Q. Have you the original?—A. No, Mr. Factor has it. He gave me that quotation. Mr. Murray agreed with me it was the truth.

Q. What is the tenor of the letter?—A. Well, he was talking about my dismissal. He said, "Silverberg has been tried on commercial publicity and on special publicity, assistant . . . the results have been most disappointing." Well, as soon as I read that I knew the report given him on me was all wrong, for the simple reason that I only had one job from the time I started with CRCT, where I was highly successful, because the man

that was in charge of that program, Mr. George Temple, always complimented me on my work, how good I handled all the jobs. When Mr. Murray said I had failed I brought this forward to Mr. Murray and Mr. Murray says, "It is a mistake." He admitted that the report on me was a mistake. So I says—

Q. Was that verbal?—A. No; he had a little discussion with three other gentlemen down in national headquarters about it.

Q. Did you discuss the matter?—A. Mr. Murray and three other gentlemen were present. He admitted to me that he had sent that letter.

Q. What did you say to Mr. Murray?—A. I told him about it, that there was something wrong with this report.

Q. Did you ask for an appointment with him?—A. Yes.

Q. You saw him at headquarters?—A. Yes.

By Mr. Graydon:

Q. At C.B.C. headquarters?—A. National headquarters in Toronto. I brought this thing up and the first thing Mr. Murray admitted, it was a mistake, the report on my capabilities. Then, I said, "If that is the case I should be rehired, which I think is the usual procedure, and the man that gives the wrong report should be discharged if anything." Well, Mr. Murray said he would let me know about it and he sent me a letter in which he said as follows. The letter is dated January 13, 1940:—

Dear Mr. SILVERBERG,

As promised at our meeting yesterday I have gone fully into these matters you raised. You will receive special consideration for any opening that occurs.

Q. What followed that?—A. I was quite peeved about it.

Q. What followed that? Never mind about being peeved. What is the next thing that happened, were you fired?—A. Yes, I was discharged. Mr. Factor was quite peeved about the thing that I should be discharged, especially when Mr. Murray admitted it was a wrong report, and on the 26th of January, 1940, at the time that the snap election took place Mr. Factor was in Ottawa. He went to see Mr. Murray and I understand there was quite a row about me.

Q. Never mind that part of it. What happened?—A. I received a wire following that, as follows—

Q. Let us have the wire.—A. "Harry Silverberg, 209 Gray Street, Toronto. Accept temporary job with Stovin and report to-morrow Stop Murray definitely promised to get you permanent job after Stop Keep it very confidential

SAMUEL FACTOR."

Q. Did you?—A. There it is.

By Mr. Slaght:

Q. That is why you bring it here and read it to us.—A. I kept it confidential at that time, but that promise did not take place.

By the Chairman:

Q. What happened then?—A. Well, then, I went down there and I worked at station relations from the day the election was announced.

Q. Give us the date.—A. January 26.

Q. To when?—A. To the date of the election of this year, 1940, I cannot recall it.

Q. That is close enough.—A. That was the date. The day after they said well, I was through again.

By Mr. Graydon:

Q. The day after the election?—A. I was out again.

By the Chairman:

Q. The election was March 26.—A. That is correct.

Q. You worked from January 26 to March 26?—A. That is correct.

Q. On March 27 you were out again?—A. Yes.

By Mr. Hanson:

Q. Did they give any reason?

By the Chairman:

Q. Was that the last time?—A. That was the last time out; I have been out ever since.

Q. That finishes that part.—A. Mr. Factor happened to go to Florida after the elections and before he left Mr. Murray definitely promised me a job because of it. He was getting me a position but it would probably take a few days. Then, I waited and waited and nothing happened. Mr. Factor went to Florida and came back and still no job. So he went to Ottawa and he came back and he says, "Mr. Murray now says that everybody in the Canadian Broadcasting knew that you were sent in by Mr. Factor or something and that I went around saying I could not be fired: He said he feels while it may not be good morale that he will try to get me a job." I was not satisfied with that sort of an answer because I never went around saying to anybody I could not be discharged, because the employees came to me and always wanted Mr. Factor to do something for them. It was like political hook-up or something, but I did not want to bother with it.

By Mr. Slaght:

Q. What do you mean by political hook-up?—A. Well, everybody was saying that. Every time any promotion takes place, they would say he has got political pull. I am not saying that is true. I was there three years.

By Mr. Isnor:

Q. What do you mean by that, that you would have been fired long ago except for political pull?—A. Well, I don't know. One suggestion would be—

Mr. HANSON: He would never have been hired.

The WITNESS: One suggestion would be that I should never have been hired in the first place.

By the Chairman:

Q. Do you admit that?—A. What is that?

Q. Do you admit you never should have been hired in the first place?—

A. Well, no. Well, yes, if there is no position I should never have been hired.

By Mr. Slaght:

Q. What had you done for a year before you were hired?—A. I had been doing publicity work for the city of Toronto in the recreational department.

Q. For the city?—A. Yes, for eleven years or twelve years.

By Mr. Graydon:

Q. What are you doing now?—A. I am a salesman, selling sheepskins. I am out of newspaper work entirely.

By Mr. Isnor:

Q. Before you went to the city of Toronto as publicity man, did you have any experience?—A. No. Well, I started when I left high school at 18 or 19. I sort of took that, got a position with the city playgrounds in the recreational department, stayed with them about eleven or twelve years until I went to the Canadian Broadcasting Corporation.

Q. I suppose the alderman gave you a letter at that time?—A. No. I got that on my own.

By Mr. Graydon:

Q. We are naturally not interested so much in the individual cases, except as they may be reflecting on the general policy of the corporation, as I understand it. I should like to know if you have any concrete suggestions to offer whereby the general situation as to the management and employment in the C.B.C. can be bettered.—A. Sure.

Q. That is what we are here for.—A. That is right.

Q. I think perhaps we ought to revert to that.

By the Chairman:

Q. Yes. What are your specific complaints and you recommendations?—A. Well, my specific complaint was that I should have been given a position, especially when there were so many people being hired, but I was never given an opportunity to be hired.

By Mr. Slaght:

Q. You just told us you should not have been hired at all.—A. No, I didn't. Yes, if there was no position there, I suppose I should never have been hired. But they told me there was a position. That was not my fault. That was the corporation's fault. That is their mismanagement.

By Mr. Graydon:

Q. Did they abolish this position after you got there or before?—A. It looks to me like they made this position, but there was no such job. There was no such type of work. I do not know what it was.

Q. What was the full name of this position again?—A. I was supposed to do commercial publicity.

Q. Commercial publicity?—A. That means doing publicity for commercial programs, not sustaining programs.

By Mr. Slaght:

Q. Who told you that?—A. Well, I got a letter to that effect.

Q. From whom?—A. From Mr. Murray.

Mr. HANSON: Have you got the letter there?

By Mr. Slaght:

Q. Let us see it.—A. I do not know.

By Mr. Graydon:

Q. It would be very interesting to find out if there was a letter written about any job.—A. Well, that is true. He admitted in his letter to Mr. Factor that I failed in commercial publicity.

By Mr. Slaght:

Q. You say you got a letter from Mr. Murray stating you were to do commercial publicity on their staff. Let us see it.—A. I do not know if I have it here. I think Mr. Factor had it. I think he has it.

By Mr. Hanson:

Q. You got another letter saying you had failed in that?—A. Yes. He sent another letter to Mr. Factor saying that I had failed on commercial publicity, which I had never done in the first place.

By Mr. Graydon:

Q. Have you seen all those letters that came to Mr. Factor from Mr. Murray?—A. I saw one. The others he told me about, I think.

Mr. HANSON: I think it is all guess work, as far as I can make out.

By the Chairman:

Q. I thought you said before that you were actually hired by Mr. Taggart?—A. No, I was hired by Mr. Weir.

Q. By Mr. Weir. That was his name?—A. Yes.

Q. In addition to that, did you get any letter from Mr. Murray confirming your appointment?—A. Yes.

Q. And specifying your duties?—A. Well, he gave me an appointment—I believe I have got it here—as publicity agent.

Q. That is what we want.—A. Yes, I have it right here. I will find it for you in a moment, gentlemen. There is my discharge letter. I thought I had that letter with me. I got it up in Toronto. I guess I have not got it here.

Q. Well, all right, if you have not got it.—A. No, I have not.

By Mr. Tripp:

Q. May I ask Mr. Silverberg how the other employees got the idea that he had political pull with Mr. Factor?—A. I will tell you how they got the idea. Fortunately or unfortunately I was fairly active in politics. I mean, I am not disgraced. I do not think I should feel disgraced about that. I mean, I was not working for the government or anything; I was just taking an active part in politics. I was quite active in the city of Toronto. I am fairly well known, and a number of people who do work for the Canadian Broadcasting Corporation, either as musicians or otherwise, knew that I was closely familiar with Mr. Factor before I ever joined the Canadian Broadcasting Corporation.

Q. Did you ever suggest that yourself to these people?—A. I beg your pardon?

Q. Did you ever suggest that yourself to these people?—A. Not that I know of. But naturally it was quite well known that Mr. Factor and I were fairly good friends.

By the Chairman:

Q. So they took it for granted that Mr. Factor was a factor in having you employed. Is that it?—A. That is correct.

Q. All right. What further suggestions have you to make, if any?

Mr. HANSON: I would not work for Mr. Factor any more, if it were me.

The WITNESS: There is nothing wrong with Mr. Factor. Mr. Factor is all right.

Mr. SLAGHT: He is a benefactor.

The CHAIRMAN: All right, go ahead.

Mr. HANSON: If he has not got those letters, let us proceed and get through.

The WITNESS: I asked Mr. Murray to hold an investigation into why I was threatened with discharge. That is when Mr. Factor made this motion in this committee. He said, well, he would do something about it. I sent him an affidavit, and he didn't even answer the affidavit.

By the Chairman:

Q. You say you are employed now?—A. Yes.

Q. Is that right?—A. Yes.

Q. Have you any desire to be re-employed by the Canadian Broadcasting Corporation?—A. Not under Gladstone Murray; no.

Q. Then what does it matter with reference to how they took them or how they used you or anything else?—A. Well, it does.

Q. If you have any particular grievance against the C.B.C., I wish you would state it definitely and make your recommendations, as far as the business of the C.B.C. is concerned, which you think will accrue to the benefit of the corporation and the public.—A. Yes, I do.

Q. Proceed with them.—A. First of all, their biggest problem at the Canadian Broadcasting Corporation is finding jobs for the many people that are employed there.

Q. Right now do you know of any other instances, except the one which you were claiming for yourself, where they have difficulty in securing work for the people they have employed, specifically?—A. Yes.

By Mr. Hanson:

Q. You know people that are employed that are not doing any work?

By the Chairman:

Q. Just a minute till he has answered the other question. What are they?—

A. What do you mean, what are they?

Q. I asked you if you knew of any others.—A. Yes.

Q. Specific jobs?—A. Yes.

Q. Then tell us what it is.—A. You mean those not doing any work?

Q. Where appointments have been made and there is no work for them to do?—A. Yes, there was.

Q. What are they? What is the job?—A. Well, Cecil Hindman of Ottawa.

Q. What job has he or was he supposed to do?—A. Producer of programs.

Q. Is he not doing any work for his pay?—A. Well, no. This is three years ago. Don't forget I left the corporation three years ago and Mr. Cecil Hindman is not there now. I am talking about the time when he was there with the corporation. He joined as a producer, to produce programs. He could not produce programs because he did not know anything about radio. So they had him sticking stickers, and he was just as disgusted as I was.

By Mr. Tripp:

Q. Have you any desire to become manager of the corporation yourself?—

A. I am one man that does not want the job and is not looking for the job.

By Mr. Slaght:

Q. What did you mean when you insultingly remarked that you would not work under Mr. Gladstone Murray?—A. That is just what I mean.

Q. That is what you mean. Who did you discuss coming here with? I understand you are here on your own instance?—A. That is right.

Q. Who did you discuss this attendance of yours to-day with, before you came here?—A. No one.

Q. Who put you up to it?—A. Myself.

Q. You say that with nobody else did you discuss it?—A. To come here?

Q. Yes, to come here.—A. No, I did not.

Q. And tell the story you did.—A. I came here on my own.

Q. You came on your own?—A. Yes.

Q. How long have you had it in mind to come?—A. Since the meetings started.

Mr. HANSELL: I think the fact that you got a job through what is evidently political pull, and that Mr. Murray fired you, is a compliment to Mr. Murray.

Mr. SLAGHT: So do I.

Mr. HANSELL: The fact that he is not afraid to fire a political appointee is to his credit.

Mr. SLAGHT: Particularly after hearing this young man say "yes", and then say "no".

The WITNESS: Regarding what?

Mr. SLAGHT: And then saying "perhaps", and then say "yes" and then say "no".

The WITNESS: Regarding what?

Mr. SLAGHT: I think Mr. Murray is to be commended.

The WITNESS: Well, Mr. Murray's conduct, as far as I can see, has not been very nice or very decent towards me.

Mr. SLAGHT: Leave it to the committee members to judge that.

The WITNESS: Which? Why can't I say that?

Mrs. CASSELMAN: I think you are being asked the questions, are you not?

The WITNESS: All right. What is the question?

Mr. SLAGHT: Just to give the facts about the matter, not to decide whether Mr. Murray's conduct has been nice or has not been nice. You are not to judge Mr. Murray's conduct.

The CHAIRMAN: Excuse me, Mr. Slaght, but with reference to your question, I should just like to point this out to Mr. Silverberg. He wrote me a letter here. He says:—

I am writing to you in your capacity as chairman of the parliamentary radio committee. A few weeks ago I read in a Canadian press report that the present investigation into the affairs of the Canadian Broadcasting Corporation would be of a wide-reaching nature and any person wanting to give testimony would be given a hearing by the committee.

I am a former employee of the Canadian Broadcasting Corporation and I am prepared to testify before the committee on matters relating to administration and employment of staff. My only concern is to be of assistance to the radio committee and I am willing to go to Ottawa at my own expense.

I am primarily interested in the improvement of the C.B.C., as I am now gainfully employed elsewhere, and would not be concerned about my former relations with the corporation.

However, the evidence you have given here is at variance with your thoughts when you wrote that letter.

The WITNESS: I do not think so.

By the Chairman:

Q. Well, you say that you would not be concerned about your former relations with the corporation; your written statement there is disproved.—

A. What I want to suggest to Mr. Murray, and the senior officials of the Canadian Broadcasting Corporation, is that before they hire an employee they should make sure there is a job for the employee, not just keeping pouring employees into the organization not knowing whether they are going to do any work. That is the biggest fault of the Canadian Broadcasting Corporation when I was there. I won't say it is now because I have not been there for two years.

Everybody was running around there trying to keep busy. Fifty per cent of the staff were not busy, and there is no use saying they were because I was in the midst of it all. The biggest job of the station manager was trying to find enough work for everybody to go around.

Q. Do you think they were over-staffed?—A. Absolutely they were over-staffed. You could see that on all sides they were over-staffed.

Q. Would you be in a better position to form an opinion than the manager of the particular station?—A. He should be, but I could say it.

By Mr. Slaght:

Q. On all sides they are over-staffed, is your statement—A. Not on all sides.

Q. You said so; are you going to take it back?—A. Not if I said so.

Q. You said that they are over-staffed on all sides; just name those people who over-staffed that organization?—A. They had too many producers for the programs.

Q. Too many producers?—A. Producers, that is why they were complaining, they were not getting enough work.

Q. I asked you to name somebody?—A. I can't name them, I don't want to put them on the spot. Do you see what I mean?

Q. I see what you mean; you are putting it all the same way, and you have got to back up your statement by proving who they were. We can't check you.—A. All right, I'll name them, then; Horace Brown is one man—

Q. Is he working there now?—A. No.

Q. Where is he now?—A. I think he is doing part-time with the Canadian Broadcasting Corporation. He was very—considered a brilliant writer. I don't know what happened. There was some mix-up somewhere, with personalities, and he didn't have any work to do. He was out of the corporation for a long time; in fact, they sent him home and didn't use him but they kept on paying him while he was staying at home.

Q. How do you know that?—A. He told me so.

Q. Mr. Brown told you that?—A. Yes.

Q. Who is your next?—A. Of what, the employees?

Mr. HANSELL: Give us another example?

The WITNESS: Of what?

The CHAIRMAN: Of men hanging around and doing nothing.

The WITNESS: I do not say all of them, there are some of them—

The CHAIRMAN: You have only named one.

Mr. SLAGHT: As far as I am concerned he can't come here and make that sort of statement and get away with it; it is damaging one of the great industries of the country if anybody believes you.

The WITNESS: I do not see why they should not. I was there.

Mr. HANSON: You don't see why the broadcasting corporation should not be damaged?

The WITNESS: I say this much, the broadcasting corporation—it is the ordinary men, the menials, they are willing to work their heads off if you will only give them the work. I am not saying anything about the directors; that is, the tops, the heads of the corporation.

The CHAIRMAN: All right, if you have anything further to say we will limit you to another five minutes. Let's have it.

The WITNESS: Well, for instance, they had a program called Percy Faith which was considered one of the outstanding musical programs on the air in Canada. All of a sudden Mr. Faith was taken off the air, just a matter of a personal grievance of a group down at national headquarters, and they said he was making too much money.

By Mr. Slaght:

Q. Now, when you are making an assertion of facts, that he was taken off the air just as a matter of personal grievance with a group at headquarters—
—A. That is what Mr. Faith told me.

Q. We can't listen to that sort of abuse, we can't let you go ahead in that way.—A. Now, what I am getting at is this here; Faith had an outstanding program on the air, one of the best musically—

Q. Do you know anything yourself as to the reason why Mr. Faith was discontinued, to your own knowledge?—A. Well, what he told me.

Q. That is not to your own knowledge.—A. I realize that.

Q. Do you know anything yourself as to what consideration was given about continuing him on the air or releasing him; to your own knowledge?—
A. No, I do not.

Q. Then, Mr. Chairman I do not think we should receive a statement of that kind from this young man as we have no way of checking them unless we call Mr. Faith. We will be here for months if we listen to this type of abusive gossip if it is given credence here.—A. It is not abusive gossip. Here is a sworn affidavit, yet Mr. Murray refused to take any recognition of the affidavit. Why should he not take up that affidavit?

Q. If you are asking me, I would regard it as absolutely irresponsible, whether under oath or not under oath, coming from you after the record you have disclosed here in this committee.—A. Was that my fault; no, it was all the corporation's fault. Apparently I can't get a hearing here; I think I have got to say that I haven't said anything wrong.

The CHAIRMAN: That complaint is not justified.

Mr. ISNOR: You mentioned Mr. Brown and Mr. Faith and I think one other?

The WITNESS: What I am getting at about Mr. Faith, they thought—I don't know whether he wasn't good enough or whatever happened—but Mr. Faith a few weeks later gets himself a program in the United States for \$1,000 a week—Mr. Percy Faith—that is the Carnation program every Monday at 10 o'clock. They practically forced a man like Mr. Faith out of the country. I don't know why, just a little bit of personality.

Mr. SLAGHT: There you say yourself, you admit that you don't know anything about the circumstances with respect to Mr. Faith's relations with the corporation. Now you are telling us that they forced him out.

The WITNESS: Sure, they forced him out because he wanted to continue to stay in Canada. Well, Ford gives him a spot on their program and he gets something like \$1,500 for an hour's program, and he gets a thousand dollars for a half-hour program from the Carnation people over the National Broadcasting hook-up.

Mr. HANSELL: There may have been some other reason you do not know.

Mr. SLAGHT: Didn't you want him to make more money?

Mr. HANSELL: We have the privilege of asking Mr. Murray why he was dismissed if we want to, but that has nothing whatever to do as far as I can see, unless you can tell us specifically why he was dismissed.

The WITNESS: Well, why don't you ask Mr. Murray?

The CHAIRMAN: Never mind that.

Mr. HANSELL: He is not on the stand.

The WITNESS: He said it was just a personal grievance.

The CHAIRMAN: Who said that?

The WITNESS: Mr. Faith.

Mr. ISNOR: Were there any others on that list of names?

The WITNESS: The only thing is I would rather not mention these names because—for the simple reason that they are employed by the corporation.

Mrs. CASSELMAN: You said there were 50 per cent.

The WITNESS: No, I did not say 50 per cent.

Mr. ISNOR: Yes, you did. You mentioned three, would you give us a few other names?

The WITNESS: Employees, or what?

Mr. ISNOR: Not doing anything, over-staffed, and so on.

The WITNESS: I do not want to complain about any more employees.

Mr. ISNOR: I think that is reasonable. You say there were—

The WITNESS: You see my point, these things spread amongst the employees and I am not going to hurt them.

Mr. GRAYDON: You have not been with the corporation for the last two years.

The WITNESS: That is right. I am just speaking about what happened up to two years ago. I don't know what happened in the last two years. I haven't been doing anything. I wasn't able.

Mr. ISNOR: Has the witness anything further to say?

The CHAIRMAN: I don't know.

The WITNESS: The only thing I have to say, I don't like my treatment by the corporation for the reason that I wanted to work and I asked for work and it never comes, I never got the opportunity to work. As long as Mr. Factor and Mr. Murray were good friends things was all right, but as soon as Mr. Factor and Mr. Murray started a mix-up and had some little trouble then I was affected; but I do not think it was fair for the Canadian Broadcasting Corporation to do that.

Mr. SLAGHT: I don't think this man has any right to make a statement like that.

Mr. HANSON: How did you know about Mr. Factor and Major Murray not being good friends, did somebody tell you?

The WITNESS: Yes.

Mr. HANSON: Or, is that your imagination?

The WITNESS: It is not my imagination.

Mr. SLAGHT: Are we going to let this young man come here and say that Mr. Factor and Major Murray, both responsible gentlemen, had had a difference of opinion and so on; he was not there and he does not know anything about it.

The WITNESS: He told me, he did.

Mr. SLAGHT: There you go again.

The CHAIRMAN: That is entirely irrelevant.

The WITNESS: I will show you a letter from Mr. Factor; is that good enough? You can get a statement from Mr. Murray.

Mr. SLAGHT: When a point like that comes up I want us to have somebody here whom we can question about it. You don't know anything about it personally.

The WITNESS: I have a letter with me.

Mr. SLAGHT: Mr. Chairman, you have my views.

The WITNESS: I have a letter, if you want this—about this with Major Murray—I have a letter from Mr. Factor on it.

The CHAIRMAN: We don't want it.

The WITNESS: You can't say that I don't know what I am talking about.

The CHAIRMAN: Anything further from the witness?

That is all, Mr. Silverberg; thank you.

The witness retired.

The CHAIRMAN: Is it the wish of the committee to hear from Dr. Frigon with reference to any of the statements or evidence given by Mr. Harvey this morning?

Mr. SLAGHT: Mr. Chairman, is the evidence given to-day by this young man being copied into our records?

The CHAIRMAN: It is all taken down verbatim. If you want it expunged that is up to the committee.

Mr. SLAGHT: I do not think the committee would wish to solemnly publish such loose stuff as that.

The WITNESS: I take exception to that.

The CHAIRMAN: You are through as a witness. You can argue that with Mr. Slaght personally. Kindly withdraw.

Mr. SLAGHT: I suggest it should be expunged from the record from beginning to end but that is only my personal view. If the members think it ought to stay that is another matter.

The CHAIRMAN: Has any other member of the committee any views to express with reference to that?

Mr. HANSELL: I think the fact that the evidence is there—when I say evidence I do not think it is evidence at all—will be enough for those who read to judge accordingly, and I would suggest that it is better to have the record.

Mr. SLAGHT: All right, I will withdraw my suggestion.

Mr. HANSON: It may help the management of the C.B.C., Mr. Chairman, not to take any advice from a member of parliament. I think it is better to have it in there.

The CHAIRMAN: I do not imagine they do.

Mr. HANSON: I never think they do.

The CHAIRMAN: Do you wish to question Major Murray or Dr. Frigon with reference to the evidence which was submitted this afternoon?

Mr. SLAGHT: As far as I am concerned I do not want to hear any more.

The CHAIRMAN: Major Murray, do you wish to make any statement with reference to the witnesses we have had to-day?

Major MURRAY: No, Mr. Chairman.

The CHAIRMAN: Dr. Frigon?

Dr. FRIGON: No.

The committee adjourned at 6.00 o'clock p.m., to meet again on Thursday, July 9, 1942, at 11.00 o'clock a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 18

THURSDAY, JULY 9, 1942

FRIDAY, JULY 10, 1942

WITNESSES:

Dr. A. Frigon, Assistant General Manager of the C.B.C.
Mr. E. A. Pickering, Branch Manager of the Robert Simpson's Western
Limited, Regina, Sask.
Major Gladstone Murray, General Manager of the C.B.C.
Mr. E. L. Eushnell, General Supervisor of Programs, C.B.C.
Mr. Glen Bannerman, President and General Manager of the Canadian
Association of Broadcasters, Toronto, Ont.
Mr. Donald Buchanan, National Film Board, Ottawa, Ont.
Mr. Harry Baldwin, Treasurer of the C.B.C.

MINUTES OF PROCEEDINGS

THURSDAY, July 9, 1942.

The Special Committee on Radio Broadcasting met at 11.00 a.m. Dr. McCann, the Chairman, presided.

Members present: Messrs. Bertrand (*Laurier*), Casselman (Mrs.) (*Edmonton East*), Claxton, Coldwell, Fournier (*Maisonneuve-Rosemount*), Graydon, Hanson (*Skeena*), Isnor, Hansell, Laflamme, McCann, Mullins, Ross (*St. Paul's*), Telford, Tripp, Veniot.—16

In attendance:

From the C.B.C.: Messrs. Murray, Frigon, Manson, Bushnell, Brodie, Young, Bramah, Radford, Massé and Miss Belcourt.

The Chairman read a telegram from Dr. Louis Philippe Roy of Quebec, dated July 8, 1942, respecting Mr. J. C. Harvey's evidence given before the Committee on July 7. This telegram appears with its English translation in to-day's evidence.

Dr. Frigon was called and permitted to read a statement relating to Mr. Harvey's statement of July 7. A discussion followed and it was agreed that the full text of Dr. Roy's fifteen news comments over the CBV, as mentioned in Dr. Roy's telegram, be placed in the custody of the Clerk for the perusal of the members of the Committee.

Witness retired.

Mr. Edward A. Pickering, Branch Manager of the Robert Simpson's Western Limited, Regina, Sask., formerly Assistant to the General Manager of the C.B.C., was called and examined at considerable length in connection with his resignation and the reasons which prompted it.

The Committee adjourned until 4.00 p.m. this day.

AFTERNOON SESSION

The Special Committee on Radio Broadcasting met at 4 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton-East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Graydon, Hanson (*Skeena*), Isnor, Hansell, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Slaght, Telford and Tripp.—15
In attendance:

From the C.B.C.: Same as appear in the minutes of the morning's sitting.

The Committee resumed the examination of Mr. Pickering.

Witness was requested to table the correspondence relative to his resignation from the C.B.C. as referred to in the evidence.

Mr. Hansell complimented the witness on the manner in which he gave his evidence and he retired.

Major Murray was recalled and read a statement with respect to Mr. Pickering's employ as his assistant and to his evidence.

The Committee decided to recall Mr. Harry Baldwin, Treasurer of the C.B.C., with a request that he produce vouchers respecting special expenditures as mentioned by Mr. Pickering.

Major Murray was questioned and he retired.

Mr. E. L. Bushnell, General Supervisor of Programs, was also recalled and examined on certain irregularities in the Vancouver Regional Office previous to the establishment of the present Broadcasting Corporation.

Witness retired.

Mr. Glen Bannerman, President and General Manager of the Canadian Association of Broadcasters, of Toronto, was then called, being assisted by Mr. Joseph Sedgewick, K.C., Legal Counsel of the above mentioned Association.

He proceeded with the reading of a prepared brief and at 6 o'clock, the Committee adjourned until Friday, July 10, at 10.30 a.m.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

FRIDAY, July 10, 1942.

The Special Committee on Radio Broadcasting met at 10.30 a.m. Dr. McCann, the chairman, presided.

Members present: Messrs. Bertrand (*Laurier*), Casselman (*Mrs.*), Claxton, Coldwell, Hanson (*Skeena*), Isnor, Hansell, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Slaght, Tripp, Veniot.—14.

In attendance: From the C.B.C.:

Messrs. Murray, Frigon, Manson, Brodie, Bramah, Bushnell, Radford, Miss Belcourt and Mr. Harry Baldwin.

The Chairman informed the Committee that the correspondence relating to Mr. Pickering's resignation was filed with the Clerk, as well as the full text of the fifteen talks by Dr. Roy on CBV and the scripts of M. Letellier de Saint-Just and the late Louis Francoeur as given over the C.B.C. French network.

Mr. Glen Bannerman resumed and concluded the reading of his brief. He tabled the following:—

- (a) A brief to the Board of Governors of the C.B.C. of April, 1942;
- (b) Correspondence exchanged with the privately-owned stations.

The witness read two letters: one from Station CJOR, Vancouver, and another from CJKL, Kirkland Lake, Ont.

The Committee requested the witness to table information with respect to the percentage of time of the private stations donated freely to the Government for patriotic and war programs.

Mr. Bannerman was questioned and he retired.

Mr. Harry Baldwin, Treasurer of the C.B.C. was recalled. He retired subject to recall later in the day when he will have perused the evidence given by Mr. Pickering and Major Murray relative to special expenditures.

Mr. Donald W. Buchanan, Supervisor of Rural Film Circuits, National Film Board, Ottawa, a former employee of the C.B.C., was then called, and proceeded to read a statement in connection with his former position at the C.B.C. referring in particular to the Program Department.

Before adjournment, the Committee decided, at the suggestion of Mr. Claxton, to invite the Deputy Minister of Justice to appear before the Committee on Monday, July 13, respecting certain legal aspects of the C.B.C. raised in the course of the Committee proceedings.

At 1.10 p.m., the Committee adjourned until 4.00 p.m. this day.

AFTERNOON SESSION

The Special Committee on Radio Broadcasting met at 4 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton-East*), Claxton, Coldwell, Hanson (*Skeena*), Isnor, Hansell, Laflamme, McCann, Ross (*St-Paul's*), Slaght and Tripp.—11.

In attendance: Same as appear in the minutes of July 10, morning session.

Mr. Buchanan resumed and concluded his statement. He was questioned and he retired.

Mr. Harry Baldwin, Treasurer of the C.B.C., was recalled.

Witness proceeded to read a statement concerning the question of vouchers for special expenditures. He tabled one voucher dated March 15, 1939.

Before adjourning, the Committee discussed the advisability of hearing Mr. J. C. Thompson, C.A.

On motion of Mr. Coldwell, seconded by Mr. Hanson (*Skeena*),—

Resolved,—That the Clerk request Mr. Thompson to appear before the Committee on Monday, July 13, at 11 o'clock.

The Committee adjourned until Monday, July 13, at 11 o'clock, when Mr. Baldwin's examination will be resumed, the Deputy Minister of Justice and Mr. Thompson heard.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, Room 429,

July 9, 1942.

The Special Committee on Radio Broadcasting met this day at 11 a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please; Mrs. Casselman and gentlemen, we have a quorum and we shall proceed with the business of the meeting. I wish first to read a translation of a telegram dated at Quebec, the 8th of July, 1942.

"PARLIAMENTARY RADIO COMMITTEE

Ottawa, Ont.

According to the B.U.P. Mr. Jean-Charles Harvey stated yesterday before your committee that I have already broadcast over the C.B.C. Quebec station the equivalent of: "It is preferable to lose the war if victory cannot be achieved otherwise than by benefiting the Communist regime."

I categorically deny ever having made such a statement or its equivalent over C.B.C. If your committee would peruse the 15 news comments I have given on the Dominical Hour in 1941-42, of which the C.B.C. has the full text, the committee would realize that Mr. Harvey's statement is absolutely false, that I am neither an anti-Democrat nor a pro-Fascist but an ardent pro-Canadian and a pro-ally.

I hope that you will request Mr. Harvey to prove his statement.

(Sgd.) LOUIS PHILIPPE ROY, M.D."

COMMISSION PARLEMENTAIRE DE LA RADIO

Ottawa, Ont.

M. les COMMISSAIRES,

Si j'en crois la B.U.P., M. Jean-Charles Harvey aurait affirmé devant vous, hier, que j'ai déjà transmis au poste québécois de Radio-Canada l'équivalent de ceci: "Il est préférable de perdre la guerre si la victoire ne peut être remportée autrement qu'en profitant au régime communiste."

Je nie catégoriquement avoir jamais formulé une telle affirmation ou son équivalent à C.B.V. Si votre Commission avait la patience de parcourir les 15 chroniques d'actualité que j'ai données à l'heure dominicale en 1941-2 et dont Radio-Canada possède le texte intégral, elle constaterait que l'affirmation de M. Harvey est absolument fausse, que je ne suis ni anti-démocrate ni pro-fasciste, mais ardemment pro-Canadien et pro-allié.

J'espère que vous inviterez M. Harvey à prouver son affirmation.

LOUIS PHILIPPE ROY, M.D.

Mr. COLDWELL: I think, Mr. Chairman, that should be placed on the record, and drawn to the attention of Mr. Harvey.

The CHAIRMAN: Is that the wish of the committee? (Carried).

What I have read is a translation of the telegram.

Mr. CLAXTON: Mr. Chairman, the correspondence suggests that the committee peruse the 15 news broadcasts or comments that he has made. I do not suppose that the committee is going to do that but I wonder if the C.B.C. could make them available so that anyone who was interested could look them over.

The CHAIRMAN: Yes, that can be done, Mr. Claxton.

Mr. CLAXTON: If that could be done tomorrow perhaps some of us could do it over the weekend, anyone who was interested.

The CHAIRMAN: All right, we will see that is carried out and that this telegram is put on the record.

Mr. GRAYDON: He does not suggest appearing as a witness?

The CHAIRMAN: No.

Dr. Frigon has a short statement to make and I think we will have him make it now.

Dr. AUGUSTIN FRIGON, Recalled.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen:—

Mr. Jean Charles Harvey has placed on record certain statements which, I submit, cannot be left unchallenged. I would have been satisfied to rest the case in the hands of the committee if the incident had not been reported in such a manner as to place the war effort of the C.B.C. in a very poor light and in such a way as to create disunity between English and French Canada.

First, I wish to thank him for the compliment he has paid to the management of the C.B.C. and for his frank admission that some of his attacks which appeared in *Le Jour* were unduly violent.

Mr. Harvey has tried to prove that a few speakers, amongst the great number of others, have not done all that *he* thinks should have been done in selling the idea of democracy to Canadians. He did not complain about what Louis Francœur and Letellier de Saint-Just have said but he suggested they might have said more.

Mr. Harvey makes a mistake, that is common to most of those who talk about broadcasting without any knowledge of what it really means. Because he does not hear, on the air, what he and his friends would like to hear, he concludes that nothing or at least nothing much has been done; "the quality is not there", he says. This is typical of most of those who criticize radio destructively. Besides, Mr. Harvey forgets one basic principle of radio broadcasting, and that is that a station or a network must have listeners to be of any value. It is the simplest thing in the world for a listener to turn to jazz music if he does not like the talk carried by the station he is listening to. Too many talks and philosophical dissertations are not the most pressing programs to put on the air at the present moment. What we want are programs pleasant and interesting to listen to with the addition of plain objective messages on what is expected of our people and why.

We deal in large numbers and we must be guided not by the desires of small groups but rather by the taste, psychology and the interest of the general public; this is particularly true in respect to war programs. Messages do not necessarily need to be expressed in the same way in all parts of Canada. I doubt if we will ever sell war savings stamps through the use of the usual talk on politics or national affairs, but I am sure we will sell many more if we use a program which appeals to the housewife in the kitchen or to the man in slippers sitting by the fireside.

Notwithstanding what Mr. Harvey may believe, and notwithstanding what Mr. Francœur may not have done to please him, I maintain that

Louis Francœur, who was a news commentator, has done an immense good to educate and guide the French population in Quebec in a proper direction towards the war effort. These views are shared by all those I have consulted except a few who hated Francœur before he ever spoke at the microphone.

My reason for coming back on the stand today and taking some of your time was first, to point out one fundamental mistake in Mr. Harvey's attitude, that is, where he neglects to take into account some very essential considerations which must guide radio broadcasters and, secondly, to say how sorry I am to find that only the more offensive remarks of Mr. Harvey were reported outside, thereby creating a very unhealthy atmosphere about the C.B.C. and French Canada.

What could be said here to prove that the war effort, the promotion of democratic ideals, the cause of unity, etc., have all been properly attended to on the C.B.C. network and in particular on the French network? May I give you just one insignificant example of what is being done. Yesterday morning, Mr. Bushnell and I were discussing about some programs that will be required on the French network, and I was asked whether we had anything available for this particular purpose. I suggested one as being exactly what we needed: *Le Courrier du Jour*. We then decided to listen to that sustaining program which is produced by us, at our expense, with no commercial advertisement attached to it. This broadcast, taken at random, at 10.15 yesterday morning, opened with a very pleasant song by one of our leading artists. Then came a talk by a well known lady broadcaster. In that she invited young boys who want to work on the farm this summer to write to her, so that she may make some arrangements for them. She invited young French girls who would like to live with an English speaking family this summer to get in touch with her so that she may find a decent home for them, in which to spend a vacation and learn how to speak English. Then came another song after which a lady spoke on culinary matters. She explained how it is possible to make jam with one-half pound of sugar per pound of fruit in order to save the commodity. She stressed the necessity of not letting vegetables spoil in order to help the war effort. She recommended housewives to accept war savings stamps in lieu of change for their purchases. There were also a few similar items which I cannot recall now. All this in a fifteen minute sustaining broadcast, produced as an entertainment, without any help from any government department and without any commercial advertisement. We have many of these programs on the air, and then people feature the statement that certain speakers may have done more to stress the advantages of democracy. Of course we should boost democracy and we do, but there are other things just as urgent to do. If, by this time, Canadians do not believe in democracy and if they are not convinced that Canada is a grand country to live in, Lord help us!

It really takes a lot of courage to keep on spending all one's energy, thoughts, and efforts towards one purpose when obstacles which tend to destroy the results obtained are constantly thrown across an already difficult path. We shall never maintain unity in Canada while this state of mind prevails.

The CHAIRMAN: Does any member wish to comment on the statement of Dr. Frigon?

Mr. COLDWELL: I think it speaks for itself.

The CHAIRMAN: All right.

Mr. HANSELL: I think, Mr. Chairman, that Dr. Frigon's explanation is quite satisfactory as far as we are concerned but I do believe that the only way to really get at the evidence is to have the transcripts of those broadcasts that are brought in question by the evidence. Then we can see for ourselves exactly what was said on the air.

Mr. BERTRAND: There are 41—

Mr. HANSELL: He did not bring 41 into question. He mentioned several of them.

The WITNESS: What Mr. Harvey said will be on the record.

The CHAIRMAN: It is all on the record now and the other manuscripts will be available to the committee for their perusal.

Mr. HANSELL: What he says is on the record, but we have what we might say is a denial of that now. It is just Mr. Harvey's word against Dr. Frigon's as far as I can see.

Mr. BERTRAND: Were you here, Mr. Hansell, when the committee opened? There is a telegram there.

Mr. HANSELL: I read the telegram.

The CHAIRMAN: Any further comment?

Mr. CLAXTON: Mr. Chairman, following up Mr. Hansell's suggestion I am sure that Dr. Frigon and the C.B.C. would like the committee to have all the information there may be, and might I suggest that in addition to Mr. Roy's broadcasts the broadcasts of Mr. Letellier de Saint-Just and also the early broadcasts of Louis Francœur be made available to the committee, be placed with the clerk but not to be printed in the record.

Mr. HANSELL: That is all right.

The WITNESS: May I suggest that the scripts of all commentators on the C.B.C. network be also filed for perusal?

Mr. HANSELL: That is satisfactory.

Mr. COLDWELL: As I understand it, the early broadcasts of Mr. Francœur were made available to the committee earlier in book form. I understand they were exact reprints of the scripts submitted so that some of us have seen those.

Mr. CLAXTON: I don't think the earlier ones were.

The WITNESS: The early ones are in script form.

Mr. COLDWELL: They were not presented?

The WITNESS: They are filed.

Mr. CLAXTON: All the printed ones are already in the hands of the clerk.

The WITNESS: These printed copies have been filed in script form. They are available. They are in Ottawa here.

Mr. CLAXTON: If they could be made available in the hands of the clerk, together with the others—

The WITNESS: My point is, why pick on those? You can always analyse scripts from any commentator and you will find a lot of sentences that you do not like. It will be the simplest thing in the world to analyse the broadcasts of the best man you can think of, the most perfect and the most popular and the one who has done the best job and you can always pick out things that you do not like. You cannot expect a man to speak every day of the year for fifteen minutes without saying something that you do not personally like.

Mr. HANSELL: There may be some things that people do not like but you can easily differentiate between those you may not like and those that are absolutely contrary to our war effort, and that seems to be Mr. Harvey's contention. This telegram here says:—

If your committee would peruse the 15 news comments I have given on the Dominical Hour in 1941-42, of which the C.B.C. has the full text, the committee would realize that Mr. Harvey's statement is absolutely false.

There is no question about what he says there. Why should we not have these 15 news comments filed with the clerk?

The WITNESS: You can have them.

By Mr. Coldwell:

Q. I think that was promised, was it not, that they would be filed?—A. Yes.

Mr. COLDWELL: I was speaking of Mr. Francoeur's broadcasts.

The CHAIRMAN: We should be a little more specific. From what dates do you want these things?

Mr. COLDWELL: Mr. Hansell suggests the whole 15.

The CHAIRMAN: The 15 to be furnished that were given by Francoeur?

Mr. HANSELL: No, by Roy. We do not need them all. If we see that Mr. Harvey is wrong in two or three places then we can be satisfied.

Mr. COLDWELL: Dr. Frigon said, of course, that Mr. Francoeur's scripts were all available and could be filed with the clerk, so why not have them?

The WITNESS: You have a complete set in the files here of Francoeur.

Mr. COLDWELL: I understood previously that we had.

The WITNESS: They are filed some in printed form and some in script form.

By Mr. Hansell:

Q. Are they in English?—A. No, they are all French.

Mr. HANSELL: Well, I have only got a smattering of high school French and could not read those intelligibly.

Mr. BERTRAND: I listened to Mr. Francoeur almost every time he spoke and I do not remember that there was ever anything that was not absolutely according to the facts, and his comments are rather good, I think. If you analyze his comments to-day you have to analyze them as if you were reading them at the time they were made because surely to-day we know much more than we did when the comments were given on the air. They were very good.

Mr. HANSELL: Mr. Chairman, there is simply an odium placed upon the C.B.C. that to my mind has got to be cleared up more than simply having it cleared by a denial statement. That is all I have in mind.

Mr. CLAXTON: Mr. Chairman, we are told by Dr. Frigon that all the texts of the broadcasts of Mr. Louis Francoeur are available. Mr. Roy suggests that there are 15 of his that should be examined. The only other French commentator called into question was Mr. Letellier de Saint-Just who did not give so many as Mr. Francoeur and I suggest that those also be made available and then if any member of the committee wants to see them he can. I think Dr. Frigon has already said that will be done.

The CHAIRMAN: Does that meet your wishes, Mr. Hansell?

Mr. HANSELL: Yes. The only thing is, of course, as I say, that we cannot all read French expertly, and I personally would like to have those 15 in English. I would be satisfied with those 15 there. I could satisfy myself as to the value of Mr. Harvey's evidence.

The CHAIRMAN: It would be an enormous job.

Mr. HANSELL: I know that.

Mr. BERTRAND: It would be easier to have one of the translators read them to you in English. Those 15 can be translated just as if he was reading English by a man who knows both languages.

Mr. HANSELL: All right.

The CHAIRMAN: Anything further? Our first witness this morning is Mr. E. A. Pickering, manager of the Robert Simpson Co. of Regina, and a former employee of the C.B.C.

EDWARD A. PICKERING, called.

By the Chairman:

Q. What is your address and occupation?—A. Acting branch manager of the Robert Simpson Western Limited, Regina, Sask.

Q. Mr. Pickering, your name has been mentioned in evidence in this investigation and it has been the wish of the committee that you appear before them to give evidence. I do not know whether you have a brief prepared or just wish to answer such questions as the committee wish to put to you, but I would invite you first to let us have the background of your connection with the C.B.C. You understand the purpose of the investigation, and we would welcome any suggestions which you might make with reference to promoting the best interests of this public utility.—A. Mr. Chairman, Mrs. Casselman and gentlemen, I have no brief or formal statement. On July 3rd I received from the clerk of the committee the following telegram:—

Your name mentioned in evidence of parliamentary radio committee stop if you wish to appear personally kindly do so Tuesday July 7 at 10.30 stop if submitting a brief please forward same before July 10.

In view of this telegram I felt obliged to appear before this committee to answer questions.

If I may I should like to say just a personal word. I have no malice towards anyone. When this committee was established I received enquiries as to whether I intended to present a brief. I indicated that I did not wish to run any risk of appearing to make a personal or public issue out of the difference between the general manager and myself. However, when I learned that the general manager himself had suggested to the committee that I should be called, and when I received a message from the clerk of the committee inviting me to appear, I felt I should come and be prepared to answer questions.

Now, Mr. Chairman, as you have suggested I shall be glad to indicate for purposes of identification and as a background for questions my activities before and after being in the C.B.C. and just a little of my work while there. After leaving university I worked for a period in the office of the district engineer of the Canadian National Railways in Toronto. In 1929 I joined the secretariat of the Prime Minister serving with Mr. Mackenzie King until the end of July, 1938, some nine years. On November 3, 1938, I joined, to use the words of Mr. Murray's letter to me at that time, "the senior staff of the C.B.C. in the rank of supervisor."

A few months later I was appointed assistant to the general manager in which capacity I continued until my resignation was accepted in October, 1939. In December, 1939, I joined the Robert Simpson Company as circulation manager for Canada of the mail order division, and two years later, in December, 1941, I was transferred to Regina as acting branch manager of the Robert Simpson Western Limited.

One of my first assignments with the C.B.C. was to study the publicity and information services of the corporation. The report which I prepared was approved by the general manager and on his direction I organized the Department of Press and Information, among other things recruiting the senior officers to staff this department in the various regions. Incidentally, Mr. Plaunt's

report at page 608 referred to the personnel of this department as "excellent, and an example of what competent recruitment could do."

Early in 1939 I was commissioned by the general manager to formulate a policy and to prepare the administrative arrangements for free national broadcasts for the established parties in election campaigns along the lines discussed by Mr. Brockington before the parliamentary committee of that year, and subsequently approved by the committee itself. In but one or two instances all negotiations with the political parties, representatives of the privately owned stations and the officials of the C.B.C. concerned, were conducted by myself. In spite of the delicate nature of the problem I had the very happy experience of receiving full and cordial cooperation from all political parties concerned. A plan was drawn up and agreed in detail.

On the general manager's instructions I drafted a statement of policy which was submitted to and approved by the board of governors. This was issued in July, 1939 as the white pamphlet with which most of you I believe are already familiar. During the summer months of that year I had the opportunity of developing the machinery and administrative details which I understand were employed in the main in the general election of 1940.

I have no knowledge of the reasons which led the C.B.C. to attempt to suspend this policy other than what already appears in the evidence. If I may be allowed to express an opinion, Mr. Chairman, my experience with this problem leads me to believe that the House of Commons committee of 1939 took a vital forward step in the interest of democratic conduct of general elections when they recommended that national broadcasting in election campaigns should be on a free basis. A fair division of free time was, of course, a very thorny question; but the success achieved in arriving at a fair formula for dividing the time indicates that the parties themselves as well as the listeners are anxious to avoid the excesses of free-for-all competition in buying networks such as existed in earlier election campaigns. The corporation apparently was compelled to go back to the principles of the white pamphlet for the general election of 1940, as you already know. There seems little reason why the corporation should not be asked to extend the principle of free network time to provincial elections as well; which was the intention set forth in the white pamphlet as issued by the Board of Governors in 1939.

By Mr. Coldwell:

Q. Does that complete your introduction?—A. Yes. I thought that might serve as a background for questions.

Q. What about your resignation; would you care to say what Mr. Murray said about it, have you read that evidence?—A. Yes, I have read that.

Q. Have you any comment to make on that?—A. Yes, I have. As a preliminary comment, Mr. Murray states, (on page 712 of the evidence) that the correspondence was marked private and confidential at my special request. Whether the correspondence should be marked private and confidential was never discussed between us, and certainly I made no request of the kind. Indeed, I might say there was very little opportunity to discuss anything with Mr. Murray during the period when my resignation was so to speak on the boards. For reasons known to himself Mr. Murray declined to see me, except on one occasion only, during the month in which the correspondence took place, in spite of the fact that our offices were not more than fifty feet apart, and that one occasion was after there had been several letters pass between us. Now, my first letter in the exchange of correspondence was not marked private. The first letter marked private was one from Mr. Murray, and naturally I marked my reply in the same way. So far as I am concerned I felt, once Mr. Murray accepted my resignation, the correspondence should become available for examination at any time if it were desired. Now, if the committee and Mr.

Murray are agreeable, I have the correspondence here and in due course will be glad to read it into the record. Mr. Murray states—

By Mr. Bertrand:

Q. I suppose this correspondence gives the reason why you resigned?—A. This correspondence deals with the matter of my resignation; there are subjects necessarily related to it which I am prepared to indicate as well.

By Mr. Graydon:

Q. Is there anything helpful to the committee in the contents of those letters, having regard to the subject we are investigating and enquiring about?—A. The correspondence is, well, not exactly voluminous, but of some length; and I personally do not of myself intend to burden the committee with it. Mr. Murray states that I had made a demand regarding certain matters, particularly my own status, which he was unable to accept. The real fact is that my views on certain matters had become unacceptable to the general manager; and because of the point of view which I had on these questions the general manager proposed a reduction in duties and responsibilities which gave me, as I believe he intended, no alternative but to resign. Among these questions, I had urged the general manager to seek a clarification of the board's constitutional position in wartime so as to preserve the board's authority except to the extent that the government was prepared to limit it by Order in Council under the War Measures Act. Another one of those questions was that I had refused to allow the general manager to make me a party to misrepresentation of the late Alan B. Plaunt in an effort to discredit the report which Mr. Plaunt was then preparing.

Q. What do you mean by that?

Mr. BERTRAND: What would that be?

The WITNESS: What would that be?

Mr. BERTRAND: What would be the basis of the false representations?

The WITNESS: If the committee desires I will be glad to elaborate on those two points that I have mentioned.

Mr. BERTRAND: Yes.

The WITNESS: In what I now say I base my remarks, Mr. Chairman, on notes and memoranda which I carefully drew up at the time the situation developed. Now, first as to the constitutional position of the board:

By Mr. Graydon:

Q. You are speaking of the Board of Governors?—A. Of the Board of Governors, yes. I have some material on that here. When the war broke out one of the first questions was the status of the Board of Governors in wartime; would the government deem it desirable to suspend the Broadcasting Act in whole or in part and directly take over the administration of the C.B.C.; or, would the Board of Governors be permitted to continue the discharge of their duties under the Act, except in so far as censorship and other wartime requirements made specific changes necessary? Now, whether the government would allow the board to remain in authority or took over the corporation was of course entirely a matter of government policy and for the government alone to decide. Rightly or wrongly, I could not escape the impression that the general manager would have welcomed the government taking over the direction of the C.B.C. and thus be released from the board's control and particularly from the survey which Mr. Plaunt and Mr. Thompson were completing at the request of the Board.

On Sunday, September 3rd—that, of course, was the day Great Britain declared war—I expressed to the general manager the view that if there was

to be any change in the constitutional position of the C.B.C. in wartime that change should be precisely set forth in an Order in Council; that so long as the board was not suspended or its functions modified it continued to be responsible for the entire conduct of the business; that if it were suspended, or its functions modified, then those changes should be promulgated and made known publicly and not left vaguely undefined, capable to-day of one kind of action and to-morrow another. After discussion I drew up these points in a memorandum, with a draft covering letter addressed to the minister, which the general manager signed but which unlike other important communications being dispatched that week-end he would not allow to be taken by messenger to the minister's office. Whether or not it was ever delivered I do not know.

By Mr. Bertrand:

Q. Did you get an answer?—A. The communication was not my own, it was one which I drafted for the general manager, if he saw fit, to send to the minister.

Q. I see.—A. The trend of events made it seem desirable to raise the subject again on Monday, the 4th, I suggested that until such time as the government might indicate its intention of modifying the legal position of the board no decisions on policy should be taken by the general manager without consulting the board, or, if time for this did not permit under emergency conditions, without reference to the chairman who should be kept fully informed of all developments.

Q. With the chairman and yourself—this change only took place which was this discussion between the general manager and yourself?

Mr. COLDWELL: The question has been raised I think during this inquiry as to what happened at the beginning of the war.

The CHAIRMAN: Yes.

Mr. COLDWELL: There were two months during which the board seemingly did not function, and there have been a number of questions asked before this committee and I think the point has some bearing on the inquiry of the committee. I think the witness should be allowed to proceed in his own way with his own evidence.

Mr. GRAYDON: This is certainly not the first time it has been raised.

The CHAIRMAN: No, no.

Mr. GRAYDON: I remember Mr. Coldwell raising the question very clearly at a previous sitting of the committee.

The CHAIRMAN: It has to do also with any difficulties there were leading up to the resignation of the witness.

Mr. GRAYDON: I think too, Mr. Chairman, it throws some light as to any possible reasons as to why the Board of Governors did not meet directly after the declaration of the war. The thing has puzzled me, and it has puzzled the public, and I am sure it is puzzling the committee; and I think we ought to have some more evidence which will bear upon that point.

Mr. COLDWELL: I think the witness should be permitted to proceed in his own way.

The WITNESS: Mr. Chairman, if I might say so, I think in due course the relationship of this to my own resignation will appear. I had meant to indicate earlier, that there had been several matters on which I had put forward views which had become unacceptable to the general manager. This is one of them. Now, as I say, on the 4th I had suggested that until the government indicated its intention of modifying the legal position of the board no decisions on policy should be taken without consulting the board, or at any rate without reference to the chairman. Now, it was made quite clear to me by the general manager

that my views on this subject were not welcome, and having raised it twice I refrained from making any further mention of it.

By Mr. Graydon:

Q. Mr. Pickering, would you care to tell the committee as to whether or not there was any conference between the government and the general manager on that point previous to the time you speak of now?—A. I do not know that I really am the proper person to answer that question. I was assistant to the general manager. I was attached personally and immediately to the general manager. I had no jurisdiction over any particular segment of the corporation's affairs, and I think that I could hardly give appropriate evidence on that point.

Q. It seems that nobody can. It has been delightfully vague, the whole matter as to what happened between the general manager and the government.

Mr. BERTRAND: We should have before us either the general manager or the minister on that.

Mr. GRAYDON: I realize that perhaps the proper man to question would be the minister; or, the general manager; but I have not had an opportunity of cross-examining the minister, because I was away the day he gave evidence. But certainly there is nothing very definite in my mind that the general manager was able to tell us as to the development of this conference, or of this contract between the government and the general manager which has not been unveiled in the evidence here. I can agree with you that perhaps in your personal capacity, without the general manager's approval—I fancy you are taking quite the proper position on that; but I think in view of what happened here I think the general manager or the minister had better make, as quickly as possible, a complete declaration as to what happened. Quite evidently something did happen, and I think this committee ought to know it.

Mr. HANSON: Let the witness proceed.

The WITNESS: Apropos of this point on page 724 (which I had an opportunity of reading coming down on the train) Mr. Murray has admitted that for a few weeks after the outbreak of the war the general manager did take direction from the government, instead of by ordinary process from the board; even though no formal legal change apparently had been made by the Governor in Council to authorize this new relationship. This admission, if I may say so, goes far to explain why I found myself on unfriendly ground when I put forward the view that the board entrusted under Act of Parliament with the conduct of broadcasting should not be suspended, either virtually or otherwise, even in wartime, unless and until its powers were modified by law. There can be no doubt as to the right of the state to take such action in time of war as it deems necessary; but surely the provisions of one Act of Parliament should not be modified even temporarily except by amendment or by order in council or regulations passed under the authority of another statute.

Mr. TRIPP: That is just your opinion?

The WITNESS: Quite.

Mr. COLDWELL: That would be the legal position.

Mr. TRIPP: No, I do not think so, I think the government has the power to act.

Mr. COLDWELL: They operated under an Act of Parliament; true, that Act could only be amended by an order in council; but you cannot qualify any Act of Parliament except by an order in council, or by new legislation.

Mr. TRIPP: Was the C.B.C. hindering their doing their duty, keeping them from performing their duty; what is the reason for all this?

Mr. COLDWELL: I think the point is that nobody has the right to set aside a statute except under another statute; and then by order in council.

Mr. BERTRAND: As for myself, I would like to know whether or not there were any substantial changes during these months, matters that would be worth looking into.

Mrs. CASSELMAN: I think that is a thing that would concern the general manager chiefly, rather than the assistant general manager.

The CHAIRMAN: In any event, the evidence which was given at page 724 by the witness (Mr. Murray) was: As I have already stated in evidence, there were discussions of what kind of organization would be best suited to wartime requirements. So far as I can discover, there is nothing on record about these conversations. Then he recalls that there were conversations with the minister. And now, the evidence which this witness is giving is along the line with a view to clarifying that position.

Mr. COLDWELL: That is right.

The CHAIRMAN: I think that he should proceed with it.

The WITNESS: And also, Mr. Chairman, I was asked by one of the members of the committee if I had any opinion or explanation to make with respect to the statement which the general manager placed before this committee as to the grounds on which I left the C.B.C. I did not make the statement which is already in the committee's record. It was made by some one else. I am suggesting to the committee that the grounds indicated by the general manager were not the complete story; and I am proceeding to indicate, if the committee wishes, and only if the committee wishes—

Mr. BERTRAND: We invited the witness.

The CHAIRMAN: Yes.

The WITNESS: — what some of these questions were. I may say that in the position which I held under Mr. Murray's appointment as assistant to the general manager I had been invited to collaborate with him on many problems and to offer views on questions as they arose; and on this particular point I drafted a memorandum, only after discussion with Mr. Murray, and on his suggestion, or at any rate with his knowledge and consent.

Mr. COLDWELL: I was going to ask, you mention a memorandum, have you a copy of that memorandum?

The WITNESS: I have a copy of it with me here.

Mr. COLDWELL: I think perhaps we had better have that put on the record. I do not know whether you intend to put it on or not. It seems to me it would be very valuable.

The CHAIRMAN: Is it the wish of the committee that it be read into the record?

Some hon. MEMBERS: Yes.

The CHAIRMAN: All right.

The WITNESS: This is the text of the draft memorandum which I prepared on Sunday, September 3rd, 1939, for the general manager's consideration and if approved—

The CHAIRMAN: Excuse me, Mr. Pickering; was that prepared at the suggestion of the general manager, or on your own volition?

The WITNESS: On Sunday, the 3rd of September, Mr. Chairman, I of my own accord expressed certain views as to the matter of procedure, and Mr. Murray and I had in his office a general discussion on the powers of the Board of Governors in wartime. After all, the general manager derives his authority—although I am no lawyer—but I believe this to be the case he derives his authority under the Broadcasting Act as a servant of the Board of Governors. Now, it would certainly be an appropriate question for consideration at that time whether he was to continue to receive his authority for the conduct of the

business flowing down to him through the Board of Governors or coming from some other source; and any modification informal or formal of the flow of his authority was a very proper matter for consideration by myself and those who were in the position of discussing and consulting with him on questions of that kind.

The CHAIRMAN: The thought in my mind was this, that it being Sunday, September 3rd, that would indicate that it was a matter of some urgency; and I wished to know whether that urgency was brought to your attention or whether you brought it to the attention of the general manager.

The WITNESS: It will be recalled that Sunday September 3rd was the day on which war was declared by Great Britain, and I think in most government offices and in other national organizations there was a great deal of activity that day; so that Sunday was more or less for that time a normal working day.

Mr. ISNOR: Are these notes that you are giving at the present time a draft, or is that the memorandum itself?

The WITNESS: What I was about to read is the actual carbon copy of the draft memorandum itself.

The CHAIRMAN: If you would just proceed with the memorandum.

The WITNESS: Yes:—

The following is submitted for consideration in the immediate interests alike of the government itself and the successful prosecution of whatever part Canada may play in the conflict.

The Canadian Broadcasting Act 1936, established the corporation as the national authority empowered by parliament to conduct and control broadcasting in the Dominion, subject to the direction of the government only in so far as the Act itself provides. The War Measures Act having been proclaimed, the Governor in Council has unquestioned power to enlarge the scope of the government's direction over the affairs of the corporation as of other bodies and activities.

There can be no doubt as to the willingness and readiness of the corporation to cooperate with the Government without reserve in any direction. There are, however, two points as to the relationship between the government and the corporation which merit examination at once.

(1) It is respectfully suggested that any modifications in the constitutional powers of the corporation and in the relationship between the government and the corporation which may be brought about under the War Measures Act or other legislation, should be promulgated in an order in council or some similar executive instrument. From the point of view of the minister and the government no less than the corporation, this is clearly desirable. Even though it should not be possible to set forth the modifications in detail, there should be a document setting forth the change in terms. This document would become the legal basis for the conduct of the business in the period of the war. Otherwise, confusion and legal complications might arise as to the validity of actions of the corporation. There is also the necessity of affording a precise indication to the management of any changes as to the source or nature of authority. In the absence of a precise document setting forth any modifications, if such are necessary, it is possible that there may be criticism that the government has extended its control over broadcasting without the formality of a specific exercise of the special powers enabling it to do so.

(2) It is also respectfully suggested that the Board of Governors should continue to discharge their functions under the Act. Several advantages would accrue. The minister would be relieved, in a most arduous period, of the onerous task of personally replacing the board in the general supervision of policy. The unity of the Canadian people is

of paramount concern. The continuance of the board would be a reassurance to many who may be apprehensive as to extremes to which the government may go in converting all organs of opinion into a powerful propaganda machine. An experienced and representative board can make an even more valuable contribution in time of war than peace, particularly in so complex and difficult a business. Of the determination of the board, the management and all members of the staff to render the utmost assistance, there can be no question. There is always the guarantee that, if the continuance of the board should prove incompatible with the conduct of the war, the government could at any time suspend it. Its continuance at the present time might in this sense be regarded as an experiment. The same reasons for retaining the board of the corporation seem to exist as for the continuing the boards of the Canadian National Railways and the Bank of Canada.

If the government feels it is necessary to restrict the powers of the board, in any particulars, those restrictions might be specified without suspending the board itself. The board would continue to discharge those functions which remain. With respect to those which would relate more immediately to war problems, the management would act under immediate directions from the minister. With respect to the remainder, it would act in accordance with the lines of policy laid down by the board. Such a procedure would relieve the minister of direct personal responsibility for all the affairs of the corporation, while giving the government immediate control over these questions in which they would be primarily and vitally concerned.

That is the draft memorandum.

By Mr. Coldwell:

Q. That was submitted to the general manager?—A. I submitted that to the general manager with a brief draft covering note; and in my presence the general manager signed the communication; but as I have already indicated for some reason he was not willing that the communication should be given to the messenger to be taken over to the minister, as was the practice for those few days with respect to other important communications going to government departments.

By Mr. Graydon:

Q. You don't know whether that ever reached the government or not?—A. No, I don't. I would like to say that the only point I wish to make to the committee is that there were items on which I expressed views which were not acceptable to the general manager.

By Mr. Isnor:

Q. Mr. Howe was the minister at the time?—A. Yes.

By Mr. Coldwell:

Q. Was any attempt made at that time to consult the board of governors in relation to this war problem? The board did not meet, I believe, until October 16?—A. Well, I think the comment I made in answer to Mr. Graydon's question would to some extent apply there. I think I have already given the answer on that point by saying that on Monday the fourth I raised that very question. I suggested that until such time as the government might indicate its intention to modify the legal position of the board, no decisions as to policy should be taken by the general manager without consulting the board, or if time did not permit this under emergency conditions, without reference to the chairman, who should be kept fully informed of all developments.

Q. Do you know if that was done?—A. I would like to say in the circumstances at the time I felt it was desirable to emphasize the need for doing that.

Q. But the contact between the chairman and the officials would be through the general manager? You would have nothing to do with that?—A. Oh, no; I was attached, as I say, directly to the general manager and was assistant to him in reviewing and discussing and considering problems and drafting documents with relation to those problems, and handling any special assignments and problems that he might delegate to me.

Q. The impression that this leaves with me—and I would like you to correct me if the impression is wrong—is this: that instead of the general manager guarding, shall I say, the rights of the corporation under the Act, the impression I got is that he was willing to forego those rights and to view with a good deal of satisfaction the placing of the corporation's business under the minister rather than the board. That is the impression that I got. Am I right in that impression?—A. I would say that, to some extent, was the impression which I received.

Mr. TRIPP: The impression that I got is this: that Mr. Pickering was advising the general manager not to accept the order of the government if they saw fit under the War Measures Act to take charge of the C.B.C.

Mr. COLDWELL: No, no; just the reverse. He is telling them if they wish to take charge of the corporation there is a legal and proper way to do it.

Mr. TRIPP: I am sorry if I have got the wrong slant.

By Mr. Bertrand:

Q. Well, nothing was done anyhow; it stayed as it was?—A. I would say this, that having drafted the memorandum on Sunday and having raised the question again on Monday and having received the kind of reception I did—

Q. The cold shoulder?—A. Well, I felt my views on that point were not welcome, as I have said earlier in my evidence, and in my situation as assistant to the general manager when that took place I dropped the matter. I never referred to it again in any further discussion.

Q. What I mean is, it was not done; the government did not take absolute control of the corporation, and you do not even know if your submissions were given to the minister?—A. That is right.

Q. As far as I know nothing arose out of this difference of opinion between you and Mr. Murray which had a bad effect on the conduct of the war or on the enlightenment of public opinion.

Mr. GRAYDON: That may be so, but if I may interrupt there—

Mr. BERTRAND: I would like to have an answer.

The WITNESS: I don't know what action the government took. I can only say I never heard that the government passed any order in council or regulation. The committee has Mr. Murray's evidence to the effect that there was some kind of temporary suspension of the direct relationship between the general manager and the Board of Governors. Now, if the suspension was an informal one—and there is nothing to indicate that it was a formal one by virtue of an executive document, order in council or regulation—then it would seem a fair reading of Mr. Murray's evidence that he did take the direction over from the Board of Governors.

By the Chairman:

Q. Mr. Pickering, you would admit, would you not, that there is nothing unusual in a general manager not accepting the advice or suggestions of his assistants?—A. Quite, quite.

By Mrs. Casselman:

Q. That is, you were interested in what is called here, "The Correct Constitutional Procedure," and quoting Mr. Murray's evidence, he said:—

In those early and very anxious days of late August and September, 1939, we were all concerned more with getting things done from day to day than with problems of the correct constitutional procedure.

You differed on this question of correct constitutional procedure, whereas he was more concerned in getting things done, he says?—A. I would say I think everybody in the C.B.C. was concerned with getting things done.

Q. Of course, he does not confine it to himself. He says, "We were".—A. This is a matter of correct constitutional procedure. It happened to be a question which came up in a discussion between Mr. Murray and myself, and I expressed for what they were worth, and only for what they were worth, certain views to him, and whether he accepted them or not was entirely his own affair, but I am suggesting that there was a direct relationship between the views that I expressed on this question and on one or two others, and the action which he took within the next few days with regard to my own place in the organization.

Mr. COLDWELL: I think there is this fact, too, that the board did not meet until October 16 in spite of the fact that war was declared by Great Britain on September 3, and that a policy should have been laid down by the Board of Governors to direct the corporation's activities during the critical period which followed. I think that is a point which should be borne in mind.

Mr. BERTRAND: I would like to know if during this period there was anything done by the corporation which should not have been done or something not done which should have been done. I am more interested in the facts of what happened than I am in the opinion of the officials.

Mr. COLDWELL: I am saying there was something not done and that was that the Board of Governors did not have a meeting to lay down a definite policy in relation to the activities of the corporation in the period of the war which was developing. I say that was something that was not done.

Mr. BERTRAND: I would say it was something that was not done in fact but was there anything that should have been done with the public either to enlighten the public or any other thing that was not done by the corporation which would have been done if the board had met and discussed that.

Mr. COLDWELL: That is a question—

The CHAIRMAN: That is a matter that can be argued over privately at another time.

Mr. COLDWELL: That is a question that we cannot answer.

The CHAIRMAN: We shall proceed with the witness. He is dealing with the reasons which led up to his severance of his connection with the C.B.C. and he has given us the first one. Will you kindly continue?

The WITNESS: This is the second item. I have referred to it as misrepresentation of a report which I gave the general manager of a conversation with Mr. Plaunt. On the general manager's instructions I discussed certain questions from time to time on his behalf with the press, with representatives of various party organizations and with people in varying stations and relationships to the corporation. At his express request I from time to time discussed problems on his behalf with the chairman of the board and also with Mr. Plaunt. On a few occasions when Mr. Plaunt was unable to reach Mr. Murray he would speak to me and I would duly report matters which may have come up to the general manager.

Early Monday morning, September 4, 1939, Mr. Plaunt telephoned from Montreal to inquire how the situation was going. In the course of his conversation he made observations on the special measures being taken by the C.B.C. All of the observations were wholly appropriate and circumspect and were calculated to be helpful.

At the first opportunity I passed Mr. Plaunt's observations on to the general manager who made no special comment. Of the two main points mentioned by Mr. Plaunt the first had to do with the constitutional position of the board. As a matter of fact, Mr. Plaunt took pretty much the same view which I had set out the day before in the memorandum drafted for Mr. Murray to send to the minister, namely, that the board should remain in control of broadcasting until its legal position was changed by definite action in the form of an amendment to the Act or by Order in Council; that so long as the board remained responsible the management should take its direction from the board itself, and that the board as a whole, if possible, and in any event the chairman, should be kept fully advised of developments. This seemed not only a proper point of view but a very reasonable one as well.

The second point discussed by Mr. Plaunt was the situation existing in Montreal as a result of the ruling by the C.B.C. that Canadian stations could carry no news or commentators originating in the United States. Mr. Plaunt pointed out this was causing Canadian listeners to tune in on American stations where they frequently got the news faster and was causing a general shift away from Canadian stations. This condition, it may be recalled, existed also in Toronto and in all parts of Canada where listeners could pick up American stations. The ruling of the C.B.C. had been taken as a precaution at the outbreak of hostilities when the problems ahead were largely unknown.

By Mr. Graydon:

Q. Was that ruling taken by the C.B.C. or by the censorship of the government?—A. I believe it was one of the executive actions taken by the C.B.C. on Friday, September 1, the day Germany invaded Poland, or Saturday, before the censorship authority had been established.

Q. It is not a very important point so I do not want to interrupt you.—A. I believe it was September 1. Now, this arrangement was admittedly an expedient for the time being until fuller study could be given. Mr. Plaunt's suggestion to me was that the ruling was working out in an unfortunate way and might properly be reviewed. This seemed a reasonable and proper comment for Mr. Plaunt to make and for me to pass on to the general manager.

As I say, the general manager made no special comment to me at the time. To my amazement I learned two days later from Mr. Plaunt that the general manager had addressed a letter to Mr. Plaunt which characterized the comments I had passed on as "unmeasured strictures". I thereupon objected to the general manager as to the complete inaccuracy of his version of the report I had given him of the conversation with Mr. Plaunt. Mr. Murray then prepared and sent me a memorandum to which was attached an unsigned list of the criticism allegedly made by Mr. Plaunt and allegedly reported by me. Mr. Plaunt himself a day or two later raised the issue squarely with the general manager who retracted the charges and asked Mr. Plaunt's permission to withdraw the correspondence.

On the first subsequent occasion when I saw Mr. Murray he informed me of the retraction and said that he wished to withdraw the memorandum he had addressed to me. Being wholly anxious to minimize any difficulties I readily consented and Mr. Murray destroyed this document in my presence.

Now, Mr. Chairman, if I may I would like to say this, that to suggest that Mr. Plaunt's criticism of the management was due in any way to the difference to which I have referred or to any other personal difference with Mr. Murray,

as has been suggested to this committee, is a grave reflection upon a man who is not here to speak for himself. It is also a reflection to some extent upon Mr. Thompson, his associate in the survey, for the two reports are necessarily related. It is also a grave reflection upon the board of governors themselves for selecting, if such were true, a man who in character and integrity would not have been qualified for so important an investigation.

By Mr. Coldwell:

Q. Mr. Pickering, some suggestion was made, I think by the chairman, regarding Mr. Plaunt's state of health and the effect that perhaps it would have on his general attitude. Did you see Mr. Plaunt at any time before he died?—A. Yes, I saw him, Mr. Coldwell.

Q. How long before?—A. I saw Mr. Plaunt in the hospital in Toronto—I saw him on one occasion when he returned to Ottawa in his house and I saw him again three weeks before his death.

Q. You had seen him more or less frequently when he was a member of the board?—A. Yes. As I have indicated, one of the things which Mr. Murray from time to time had me do was to discuss problems which were under consideration with Mr. Plaunt as well as the chairman of the board, and I saw Mr. Plaunt from time to time.

Q. Having seen Mr. Plaunt during the time he was a governor and on these occasions subsequently and shortly before his death would you say there was any change in his general attitude on account of the grave illness he was suffering at that time?—A. In his attitude towards—

Q. Towards the board?—A. Towards the board.

Q. Towards the manager or the board or the report or the general activities of the corporation.—A. I would say that Mr. Plaunt's interest and devotion of the cause of public service broadcasting remained constant with him up until the time of his death. I do feel very strongly that any suggestion that his judgment or his perspective had been impaired by his illness is wholly wrong. I discussed many questions with Mr. Plaunt when I saw him after his illness. We were interested in things other than the C.B.C., international questions, for example, and I must say I thought his discernment and balance and judgment were, if anything, heightened as a result of the enforced leisure he had, and that he had a wholly balanced perspective on this problem. He saw it in its relationship to the larger problem of the war.

Q. I think that answers the question.

Mr. ISNOR: I do not think, Mr. Chairman, that was just your thought when you suggested that Mr. Plaunt on account of his condition of illness perhaps might be inclined to be just a little more irritable. I think that was the thought. It was not a case of his judgment.

The WITNESS: Well, I attempted to answer the question as I understood it. Is that question being directed to me?

The CHAIRMAN: Yes.

Mr. ISNOR: Why it impressed me at the time was because I suffer from rheumatism and I am inclined to be a little irritable perhaps sometimes at home in my store. I think that was the thought that the chairman had.

The CHAIRMAN: It is not a matter of great importance. I viewed it from the point of view of my own profession.

Mr. GRADON: Quite, and I think I expressed this opinion at the time, that if Mr. Plaunt was irritable he had plenty to be irritated about when his report had been standing there in the pigeon hole for a year and had not been dealt with, and somebody suggested he was irritated because the board of governors did not deal with it. I can tell you this much, that there would be a lot of people more irritated than Mr. Plaunt if things that they recommended and had been paid for recommending had not been touched for over a year.

Mr. TRIPP: I do not think that is a fair statement because we have evidence—

Mr. GRAYDON: Perhaps I should withdraw his payment.

Mr. TRIPP: Mr. Graydon has made a statement that nothing whatever had been done about the report. Yet we have had evidence before the committee that something had been done about the report.

The CHAIRMAN: That is not a matter under discussion at the present time. Let us proceed with Mr. Pickering here.

Mr. GRAYDON: I would say there was nothing done about it.

Mr. TRIPP: That is your opinion.

Mrs. CASSELMAN: You had a definite time set to discuss it and Mr. Plaunt's own illness prevented it.

Mr. GRAYDON: I do not think there is any use going over his illness.

The CHAIRMAN: Order, please; do you wish to question Mr. Pickering with reference to his statement?

By the Chairman:

Q. Mr. Pickering, what time did you say you resigned?—A. I tendered my resignation on September 8 and Mr. Murray's letter of acceptance was dated October 2.

Q. 1939?—A. Yes.

Q. And the reasons which you have given and outlined were the principal reasons that prompted you to sever your connection with the C.B.C.?—A. I did not sever my connection with the C.B.C. I was asked without any apparent reason to me, other than that on certain matters I had expressed opinions or taken a position that was quite obviously at the time disagreeable to Mr. Murray.

By Mr. Hanson:

Q. Were you asked to tender your resignation?—A. No, I was simply faced with the position where it was the only proper thing for me to do. I had been very active in direct association with Mr. Murray. I had been entrusted with certain important responsibilities. On the first of September, for instance, the general manager issued an instruction on war emergency measures in which he made the assistant to the general manager responsible for handling at head office communications regarding the examination of applications for talks. In other words, on his behalf I was being made responsible for the whole procedure as to what would be suitable spoken word material for broadcasting over Canadian stations. In effect I was charged with the supervision of the temporary ad interim arrangements which the corporation was making of a censorship type to protect the national interest until such time as the government set up a censorship authority of its own. That was on Friday, September 1. Other important problems were assigned to me that day and the next day. Over the week-end, Sunday, Monday, those two things at any rate to which I have referred at some length, developed. Early in the week I began to find I could not have access to the general manager; that he would not discuss problems with me, and that work which had been assigned to me was, without my being informed, being diverted to other channels. By the end of that week I had reached the conclusion, which I think any person in the same circumstances would naturally have reached, that I did not any longer enjoy the general manager's confidence. I have never felt that I wished to stay in any situation where I was not wanted or needed, and I accordingly sent in to the general manager the offer of my resignation. For some reason he was not prepared to accept it on grounds of non-confidence, and I remained in the corporation until October 2, as I have said.

Q. You had no differences at all up till the 3rd of September and your resignation was sent in on the 8th of September. That is only one week later that you made the decision to send in your resignation?—A. Yes.

Mr. HANSON: I would think, Mr. Chairman, that the proper way to settle this whole thing would be to have the letter of resignation put on the record and also the answer from Major Murray.

The WITNESS: When the committee wishes I will be very glad to read them.

Mr. HANSON: That will probably give us the whole thing.

By Mr. Graydon:

Q. Mr. Pickering, you said you were assistant to the general manager. Does that mean you were assistant general manager or assistant to the general manager?—A. By no means assistant general manager; Dr. Frigon has been the assistant general manager since the beginning of the corporation. I was assistant to Mr. Gladstone Murray. I was attached directly to him. I had no departmental duties, no departmental staff. I simply worked directly with the general manager handling such questions and dealing with such matters as he wished.

By Mr. Coldwell:

Q. I understand that these events all happened in a week, as it were. Were there any points of difference before this time with the general manager or with regard to any phase of the corporation's operations that might in any way account for any differences between you?—A. There were some questions on which I had earlier than September 3 expressed views which were not acceptable to the general manager.

Q. Can you give us any idea of what those matters were?—A. Well, I would be prepared to do so but there are some matters that one is—I would prefer to leave my statement as it is at the moment.

Q. I do not think that we should allow that if there were some other matters that had some bearing on this. I think the witness should be compelled to state them.

Mr. BERTRAND: They might be very private matters.

Mr. COLDWELL: I think this witness should be compelled to state them.

Mrs. CASSELMAN: Mr. Chairman, on a question of order, does this come under our terms of reference, examining into policies and so on like this?

The CHAIRMAN: The terms of reference are very broad, policies and aims of the corporation and its regulations, revenues, expenditures, and development, with power to examine and inquire into the matters and things herein referred to. That is pretty much all inclusive.

Mrs. CASSELMAN: That is the aim of the corporation. Now we are getting down to internal management.

Mr. GRAYDON: I think we should look into matters of internal management because you see three years have passed without the government allowing us to have an investigation, and I think there should not be the slightest effort now made to in any way curtail the investigation.

Mrs. CASSELMAN: I was thinking of the time element more than anything else. It was not the fact there would be anything brought out. It is a question of the time element.

Mr. COLDWELL: I think Mr. Pickering held a very important position with the corporation and that we should ask him to give a complete picture of the affairs of the corporation as he knew them. I am suggesting, Mr. Chairman, that the witness should not keep back from this committee anything which has any material bearing on any one of the phases of the board's operations.

Mr. GRAYDON: I think, Mr. Chairman, from Mr. Pickering's own statement that either he has gone too far or he has not gone far enough. Now, the question immediately arises in my mind that there must be something serious in the statement that Mr. Pickering is declining to make at the moment, or at least has expressed the opinion that he would just as soon not make it. I think as a committee we have some public duty on this matter and we have not any right to let this witness go unless he tells the whole story complete. I do not think we have any right to take any half stories from any witness. I think this story should be told, and I am hoping it is a good story because we are not anxious to be casting any aspersions on anybody. It isn't a question of washing dirty linen that we are gathered together for. I am only hoping that the story will be the type that will help us in our deliberations, but I think regardless of that Mr. Pickering has a definite duty, and we as a committee have a definite duty to compel him to tell this story.

By the Chairman:

Q. Mr. Pickering, would you consider that the C.B.C. was a well-managed organization?—A. Oh, boy!—

By Mr. Tripp:

Q. What is the answer?—A. I am just expressing surprise at the question.

By the Chairman:

You need not express any great surprise at it. It is a perfectly legitimate and business-like question.

Mr. BERTRAND: If this question is answered by this witness we might have a hundred other witnesses that might come with the same capacity to answer or who would answer either the same way or any other way.

The CHAIRMAN: Former employees particularly are in a much better position to answer that question than probably the other 99 witnesses.

Mr. BERTRAND: I have no objection to the witness answering but I am just drawing the attention of the committee to the door we are opening now.

The WITNESS: I would personally prefer to rest on Mr. Bertrand's comment there on that question.

Mr. COLDWELL: Mr. Pickering, I think you should elaborate your remarks that you made a few minutes ago and that we should, as a committee, insist that you give us all the reasons that you can give.

The CHAIRMAN: That is my personal opinion unless I can be shown reasonable objections to answering it.

The WITNESS: Well, it is because of the fact that I have no desire to bring forward such a matter.

The CHAIRMAN: It need not be a matter of personalities at all. It is a matter of business management.

Mr. COLDWELL: I think as a committee we have the right to compel the witness when he makes a statement to explain that statement, and I would move, if necessary—

Mr. BERTRAND: I do not think we can assume any powers to send a witness to jail if he does not answer but I think we should modify the question and ask him if there is any other reason in relation to the business of the corporation which prompted him to give his resignation.

Mr. COLDWELL: I imagine the witness is in this position. I don't know just what the things are that he has in mind, but appearing before a parliamentary committee the witness is compelled to give evidence and that compulsion relieves him of responsibility. He is in the same position we expect to be when we are speaking in the House.

The CHAIRMAN: He has exactly the same protection.

Mr. COLDWELL: I think he should be compelled under the same protection to tell us what he has in mind.

The WITNESS Mr. Chairman, it is a matter of personal reluctance as well as a matter of protection. I understand the question of privilege, that privilege applies, but it is a matter of a personal reluctance to proceed, but I am prepared to do so.

Mr. COLDWELL: Go ahead.

Mr. TRIPP: Tell us what you are going to proceed with. What are you going to tell us?

Mr. COLDWELL: Let us hear it.

Mr. TRIPP: Just a minute; are you going to give views which originated with yourself or are you going to give statements which were passed on to you by some person else and then given to the general manager?

The WITNESS: I am going to give evidence with respect to certain questions with regard to funds.

Mr. BERTRAND: That is in relation to the administration. That is pertinent.

Mr. HANSON: Let the witness proceed.

The WITNESS: Early in April, 1939, the general manager asked if I would act as a channel of communication between himself and the treasurer. He had been obliged some time previous, he explained, to relinquish financial administration to the assistant general manager. He wished to regain some familiarity with the financial side of the business without the necessity of making the treasurer report to him. I was instructed to make myself acquainted with the financial problems through discussion day by day with the treasurer and from time to time go over with the general manager any matters of which he should have knowledge. He indicated that this procedure would not interfere with Dr. Frigon's financial administration and would make unnecessary any amendment of that arrangement.

It was in the discharge of this somewhat anomalous duty that certain matters were brought to my attention by the treasurer and by me to Mr. Murray's. It should be added that as a matter of procedure at that time the treasurer had little or no direct contact with the general manager until after the latter returned from England late in August. The situation, as I was advised by the treasurer, was that the general manager had spent over \$1,000 in the fiscal year ending March 31, 1939, for "intelligence service." This was declared by the general manager, according to the treasurer, to have been used in securing information about plans hostile to public service broadcasting. I was advised no other details had been supplied, but that the general manager had been reimbursed directly; that the expenditures in question had not been submitted through any of the departments nor had they been paid through any of the departments; that the amount was over and above salary, allowances for entertainment at base, travelling expenses, per diem allowances when absent from Ottawa, special duty expenses away from base, incidentals and office expenses away from base. I was told there was no specific budget provision and so far as could be learned there was no board authorization for an expenditure of this type.

I was told the legal representative of the auditor-general had brought these expenses to the attention of the audit office and that the C.B.C.'s file on the subject when returned to the corporation bore the annotation, "Noted".

Among other reasons, to protect the general manager against the possibility of criticism, I promptly advised him of this development as soon as I was informed and requested so to do by the treasurer. That was in the late spring of

1939. Mr. Murray gave me to understand that he recognized the danger of expenses of this kind, particularly when they did not have advance authorization from the board. He declined, however, my suggestion that to safeguard himself the chairman of the board of governors should be asked to initial these items if, indeed, the matter should not be raised with the board as a whole.

A short time later the treasurer informed me that the general manager had submitted more items, amounting in the three months from April to June, 1939, to a total of approximately \$1,000; that the explanation that accompanied these items was to the effect that they were special expenses made for services in obtaining statistical and other information relative to C.B.C. coverage and public reaction. He informed me that they were not supported by other details, that the items had been submitted as part of the general manager's expenses, that the expenses for coverage service had not been submitted through the appropriate departments, engineering or commercial, nor had the expenses for public reaction been submitted through either the program department or the press and information department. The treasurer raised the matter and at his suggestion I once more spoke to the general manager.

On the eve of the latter's departure for England, early in July, 1939, I suggested to Mr. Murray that payment of the items reported in the new fiscal year might invite attention from the auditor general. The general manager agreed to my proposal that they be held over without payment until his return to Canada.

During the summer of 1939 the board restored the living allowance granted the general manager which had been reduced several months before. The restored living allowance was made retroactive to cover the period during which it had not been paid. While Mr. Murray was absent in England the treasurer discussed with me the possibility of the general manager withdrawing the items for the special expenses in consideration of the funds which the latter would receive as a result of the living allowance being restored retroactively. Also, the treasurer had had some correspondence with one or more large organizations which led him to believe that \$20, instead of the then existing \$10 per diem allowance for the general manager when absent from base, would not be out of line with the expenses of heads of corporations and others in similar situations.

A few days after the general manager returned from England at the end of August the treasurer told me he had seen Mr. Murray and that the increase in the per diem allowance had been made retroactive and the funds thus made available to the general manager and those from the restored living allowance had been applied to this account and that the special expenses above referred to were wiped out.

In conversation with me about the same time the general manager indicated that he had confirmed this arrangement with the treasurer.

Mr. HANSON: Was Mr. Rush the treasurer at that time?

The CHAIRMAN: Mr. Baldwin.

By Mr. Coldwell:

Q. You say you discussed this with Mr. Baldwin?—A. Both these matters were brought to my attention in the first instance by the treasurer, and in both instances, the treasurer suggested that I discuss them with the general manager, and in both instances I did.

By Mr. Isnor:

Q. There are two separate items, Mr. Pickering; the first is \$1,000 in 1939—you would mean by that in the fiscal year of 1938-39 or in other words prior to March 31? —A: The fiscal year ending March 31, 1939.

Q. And the other one would be from April to June of 1939?—A. In other words, in the fiscal year ending March 31, 1940.

By Mr. Coldwell:

Q. Mr. Baldwin.....

Mr. ISNOR: Would you let me just ask one more question?

By Mr. Isnor:

Q. In reference to the first item that was taken care of that was paid to Mr. Murray, as I understand it?—A. As I understand it, yes.

Q. The second item of \$1,000 was held in abeyance. Do you know as to whether that was paid to Mr. Murray?—A. No. As I have indicated the special expenses were wiped out by virtue of the retroactive amounts becoming available to the general manager.

By Mr. Coldwell:

Q. Mr. Baldwin in his evidence at page 657 in reply to some questions that I asked him said this in part:—

I have never had anything drawn to my attention regarding that, frankly it is new to me.

That was any special payments or refunds or adjustments.—A. 657, is it?

Q. 656 and 657.

Mr. ISNOR: I think that was in reference to adjustment of travelling expenses.

Mr. COLDWELL: "I have never had anything drawn to my attention"—he goes wider than that.

Mr. CLAXTON: But the question surely must have governed his answer because the question was with relation to travelling expenses or the line of questions was.

The CHAIRMAN: That is an entirely different question. It is a matter of over-drawing of expenses.

Mr. COLDWELL: It does not refer to quite the same thing.

The CHAIRMAN: The whole matter here is that special expenses were incurred which were not authorized.

Mr. COLDWELL: And not accounted for.

The CHAIRMAN: And not accounted for, but the increase in the amount of the per diem allowance took care of those rather than there being....

Mr. COLDWELL: Was the increase in the per diem allowance made to take care of this account? Is that the inference that I get?

The CHAIRMAN: That is the inference in part.

Mr. COLDWELL: If the account was a proper one submitted for payment then if the increase in the per diem was made purely on account of the fact it was insufficient why was this account withdrawn?

The CHAIRMAN: The fact it was retroactive took care of it.

Mr. COLDWELL: You get my point? If the account was a proper one I would imagine that the general manager would not have withdrawn it. If it was an improper one then why did they permit it being wiped out in this way?

By Mr. Claxton:

Q. Does the witness know the actual date as of which the increase in the per diem from \$10 to \$20 was made effective?—A. It was made effective as from April 1, 1939. That is set forth in the evidence itself.

Q. Do you know at what date it was made.... A. It was some time after the general manager returned from England in August, I believe on or about the 19 of August, 1939, which was the date of his return.

Mr. VENIOT: That is indicated, Mr. Chairman, at page 655.

By The Chairman:

Q. Mr. Pickering, you do not suggest there was anything dishonest in the whole thing?—A. I am making absolutely no suggestion. I made no such suggestion to the general manager at the time.

Q. I just want to put that question for the information of the committee. It was a matter of detail in doing business but there is nothing suggestive of dishonesty?—A. With respect to the first item, namely the amounts in the fiscal year ending March 31, 1939, I did suggest to the general manager that expenses of that kind without authorization from the board might be subsequently a matter of question and criticism, and as I have indicated in my evidence the general manager gave me to understand that he recognized the danger of expenses of this kind, particularly when they did not have advance authorization from the board.

By Mr. Coldwell:

Q. Was there anything else besides those two incidents?

By Mr. Isnor:

Q. Just before we get away from that point, Mr. Chairman, Mr. Coldwell put on the record that these were not accounted for.—A. If I may, I would like to point out that I did not use that phrase myself.

Mr. COLDWELL: I used it inadvertently.

Mr. ISNOR: I think that should be corrected.

The WITNESS: I am very much obliged to you.

Mr. ISNOR: Mr. Pickering stated there was an explanation given by Mr. Murray.

By Mr. Hansell:

Q. Before we leave this item, Mr. Pickering, you said the first item was for intelligence service. Would you amplify that, please? Just what do you mean?—A. I frankly don't know any more than perhaps the members of the committee what the actual nature of the expenses was. The description that I have told the committee was attached to these expenses was, I believe—I was so told by the treasurer—the wording which appeared on the vouchers.

By Mr. Graydon:

Q. The words "intelligence service" were on the vouchers?—A. I believe so.

Q. I suppose it could only be two things. Either the money was being spent to improve the intelligence of the management or else as an espionage system of some description, and I don't know which to believe.

Mr. HANSELL: That is my difficulty, and the last one is something that I do not understand.

Mr. BERTRAND: We have a witness here who can answer in a few words what that is. I do not think we should lose more time about it.

By Mr. Graydon:

Q. May I ask Mr. Pickering this? The information you are detailing to the committee would indicate this was a lump sum of \$1,000 given to the general manager without any details being supplied to the corporation or to the board of governors?—A. Not a lump sum.

Q. It was given in instalments?—A. There were a number of vouchers or a number of chits or whatever you want to call them.

By Mr. Bertrand:

Q. Would you call them vouchers or requisitions?—A. Requisitions would be too formal a term. A requisition implies a printed form which is formal and customarily used.

By the Chairman:

Q. Was it not more in the nature of a reimbursement of money that had already been spent?—A. That was my understanding at the time.

By Mr. Graydon:

Q. Was there any authorization given by the board of governors to your knowledge for the setting up of any such fund as this?—A. Fund on what account?

Q. The intelligence service fund?—A. I, of course, had no access to the minutes of the board of governors and I cannot give a categorical answer, but I never understood there to be any direct board authorization, and when I suggested to Mr. Murray that to protect himself he should have the chairman initial these items the suggestion was not accepted.

Q. You suggested that?—A. Yes, said that.

Mr. TRIPP: Mr. Chairman, the witness read from a script. I would like to have that portion re-read that has to do with that particular incident about the money being for intelligence. Re-read that.

The CHAIRMAN: Just what particular part? Would you indicate what particular part?

Mr. TRIPP: The incident of the \$1,000 wherein he used the word, "Intelligence".

The WITNESS: The situation, as I was advised by the treasurer, was that the general manager had spent over \$1,000 in the fiscal year ending March 31, 1939, for intelligence service.

By Mr. Tripp:

Q. Go on from there. Didn't you qualify that?—A. I went on that this, according to the treasurer, was declared by the general manager to have been used in securing information about plans hostile to public service broadcasting.

By Mr. Graydon:

Q. To your knowledge, Mr. Pickering, was there any organized hostility throughout Canada to the C.B.C. at that time?—A. I was not aware of any. I know there were certain acts of the corporation which were very severely criticized. They were criticized by very prominent people both in and out of parliament and in many walks of life, and they were the subject of an investigation or at least review before the parliamentary committee of that year.

Q. Well, I was one of the critics of certain policies of the C.B.C. myself but I must confess that no one approached me about any intelligence fund of this kind at the time.

By Mr. Coldwell:

Q. I was going to ask you this; you seemed to have been uncertain about these payments or uneasy about them. Were there any incidents of a similar sort with regard to expense accounts or anything of that sort which would also cause you uneasiness during your association with the C.B.C.?—A. Well, I have referred to two separate problems here. Now, in each of these I had direct discussions with the general manager. There was another problem which

the treasurer discussed with me but on which I had no direct discussion with the general manager.

Q. The treasurer discussed it?—A. Yes.

Q. Accounts?—A. Yes.

Q. Whose accounts were they?—A. The general manager's.

Q. What were they?—A. I did not bring this forward, not for the purpose of withholding anything from the committee, Mr. Chairman, but because of the fact that I could not state to the committee that I had knowledge of the situation by virtue of having talked to the general manager about it. What I know about this is entirely based on what the treasurer told me and on certain documents which he read or showed to me.

Q. The treasurer has appeared before this committee.—A. And I have read his evidence.

By Mr. Graydon:

Q. Can you understand that evidence in view of what you say now?

By Mr. Bertrand:

Q. I would like to know what were the documents.

By Mr. Coldwell:

Q. Let us have the evidence first.—A. Almost immediately after the arrangement to which I have referred, the general manager submitted—I would like to go back and preface this again that what knowledge I have of what I will hereinafter relate was based on what the treasurer told me at the time and on documents that he showed or read to me but not on direct dealings with the general manager himself as was the case in the other matters. Almost immediately after the arrangement to which I have referred the general manager submitted to the treasurer a revised statement of absences, some of which—

By Mr. Graydon:

Q. Of what?—A. Of absences, absent from headquarters, a revised statement of absences, some of which went back into the previous fiscal year, the accounts for which had long been closed. This statement would have had the effect of increasing the number of days claimed for absences and obtaining \$20 per diem expense allowance for each day's absence included in the revised list which had not been reported previously. In this list, which was shown to me by the treasurer, the general manager indicated that he had been absent for the approximate period from March 25 to April 6, 1939. The treasurer told me he had raised the point either with the general manager's secretary or the chief executive assistant that there was no account of any transportation having been purchased on behalf of the general manager in that period. According to Mr. Baldwin, he was informed the trip in question had been to western Canada and that the Department of Transport had provided a plane without charge. The treasurer then advised the general manager, in a communication which Mr. Baldwin read to me, that the general manager's statement was obviously inaccurate that the parliamentary committee had sat in that period during which time the general manager himself had been on the stand. He pointed out the importance of correctness in accounts of this kind.

In the reply, which the treasurer showed me, the general manager informed the treasurer that he had reviewed his diaries and that instead of claiming to have been absent for the whole period, March 25 to April 6, on a western tour, he would claim only five days' absence.

On examination the treasurer and I found, as indicated in a tabulation which I will give, that it would have been impossible for the general manager

to have been absent 5 days in western Canada during the period in question unless he had made two separate trips. To make the tour in question it would have been necessary for the general manager to have flown out west twice. Moreover, most of the days on which absence could have taken place were over weekends.

The tabulation we drew up was as follows: Friday, March 24, general manager on stand at parliamentary committee; Saturday, March 25, western tour. Period stated to commence; Sunday, March 26; Monday, March 27; Tuesday, March 28, general manager on stand at committee; Wednesday, March 29; Thursday, March 30, general manager on stand at committee; Friday, March 31, general manager on stand at committee; Saturday, April 1, general manager and treasurer had interview with Deputy Minister of Finance in east block; Sunday, April 2; Monday, April 3, general manager had meeting with Mr. John Jennings in the former's office in Ottawa; Tuesday, April 4, Mr. McCullagh on stand at parliamentary committee, general manager present; Wednesday, April 5; Thursday, April 6.

By this stage it was clear from other developments, some of which I have related, that I no longer had the confidence of the general manager. I felt that it would not be proper for me to discuss any longer corporation matters with any officer and accordingly I did not continue these discussions with the Treasurer.

Q. About what date was that?—A. The date of the discussions with the treasurer?

Q. Yes.—A. It would have been some time after the general manager's return from England on or about the 19th of August, some time early in September, 1939.

By the Chairman:

Q. Do you know if that allowance was ever made?—A. I cannot give a categorical answer on that point.

By Mr. Tripp:

Q. Did you take this matter up with the board of governors or with any members of the board of governors at all?—A. After my resignation was accepted and after I left the corporation I placed a document which I signed reciting these facts in the possession of Mr. Plaunt.

Q. He was a member of the board of governors?—A. Yes.

Q. You did not go to the chairman or assistant chairman?—A. At that time the chairman of the board, Mr. Brockington, had announced his resignation, and it was to take effect on the occasion of the board meeting in October.

Q. You did not tell the assistant about it. You did not make any written statement to the board of governors?—A. I made no written statement to the board of governors. I thought it was hardly my business to do so.

Mr. HANSELL: Could we continue, Mr. Chairman, at 4 o'clock. It is ten after one now.

The committee adjourned at 1:10 p.m. to meet again at 4 o'clock p.m.

AFTERNOON SESSION

The committee resumed at 4 o'clock p.m.

The CHAIRMAN: Order, please. When we adjourned for luncheon, Mr. Pickering was on the witness stand. I am going to ask Mr. Pickering to take the stand again for further examination.

E. A. Pickering, recalled:

The CHAIRMAN: Are there any questions which any member of the committee wishes to ask Mr. Pickering?

At the beginning of your statement this morning, Mr. Pickering, you stated something to this effect: that you refused to endorse false representations which Mr. Murray wanted you to make with reference to the Plaunt report with a view to discrediting him; would you care to enlarge further on that statement, or to clarify it?

The WITNESS: I think Mr. Chairman, what I said was to the effect — —

The CHAIRMAN: I am not quoting you exactly.

The WITNESS: —that I would not allow myself to be made a party to misrepresentation of Mr. Plaunt, and of the version of the message which I conveyed to the general manager.

By Mr. Bertrand:

Q. What would be these false representations? It is not very clear in our minds.—A. At the general manager's own request he asked Mr. Plaunt's permission to withdraw the communication which he had sent to Mr. Plaunt, and he also asked my permission to withdraw the communication which he had addressed to me. Mr. Plaunt agreed to that; and, as I indicated this morning, wishing to minimize the difficulty I agreed to that course of action in so far as it related to the memorandum Mr. Murray had sent to me.

By Mr. Isnor:

Q. Had it anything whatever to do with the report as printed in our minutes as signed by Mr. Plaunt; that was a suggested draft that you had from the outcome of the telephone call, was it not?—A. Oh, this has nothing whatever to do with the report. The telephone call was an inquiry from Mr. Plaunt as to how things were going, first; and secondly, observations on one or two problems that were pressing at that time. Now, the extreme variation between the telephone calls I received from Mr. Plaunt and as I believe faithfully passed it on to Mr. Murray, as against the assertions which Mr. Murray made in his letter to Mr. Plaunt and also in his memorandum to me, led myself certainly, and also Mr. Plaunt to believe that this was an attempt to discredit Mr. Plaunt and thereby the report which Mr. Thompson and Mr. Plaunt were completing.

Q. Just one more question, so as to have a fair understanding: it was not directly in connection with the so-called Plaunt report, was it?—A. No, it was not.

Q. Then it had no connection whatsoever with the report?—A. It had no direct connection, that is quite right.

By Mr. Bertrand:

Q. Did you tell us the amount that had been overdrawn for this supposed trip to the West, and of which Mr. Murray could not give a report?—A. I do not believe, Mr. Bertrand, that I said any amounts were withdrawn; I do not believe I used that word. I was very careful to avoid it, actually. Would you mind just stating your question again?

Q. You told us that you had checked?—A. Yes.

Q. On certain trips that were supposed to have been made on a certain date and that it looked to you as though those trips had not been made, unless there had been two trips on those particular dates?—A. Yes, that is right.

Q. Did you mention anything as to the amount that was paid out for expenses on those trips, or on this trip?—A. I made no mention of any amount, no specific amount of money, in connection with that particular instance.

Q. You do not know that any amounts of money were paid?—A. No, nor do I know what the eventual outcome was. As I indicated, it was at that time that I lost the general manager's confidence in several directions, and I refrained from any further discussion of that question with the treasurer.

Q. Have you got any similar instances that you would like to draw to the attention of the committee; I hope my question is clear?—A. No. I have been completely frank with the committee.

Mr. BERTRAND: This morning the chairman asked a question to which I objected, very respectfully, in which he asked if you could give us an idea of what was wrong with the C.B.C.; I have thought it over and I think I should not have objected, and I for one would be ready for your discussion on that.

Mr. HANSELL: I think, Mr. Chairman, that that is a point that was in my mind, and I think perhaps Mr. Pickering should answer that question which you asked this morning; especially in view of the evidence which we had submitted the day before yesterday by Mr. Silverberg. His presentation of course was tremendously crude. As far as he himself was concerned he thought he had a case and was trying to put a case before us, that there seemed to be a matter of over-staffing which comes into the question of the efficiency of the management of the C.B.C. Now, we have before us this afternoon a witness, a gentleman, who to my mind is a very extraordinary witness, and I believe he would be quite capable of answering that question. I believe the position which Mr. Pickering holds to-day would indicate that he may be more or less efficient along the lines of organization, and that his suggestions would be very valuable to us. I for one would like to have Mr. Pickering answer the question that you put to him this morning.

By the Chairman:

Q. Have you any further comments along that line? Well, I believe that you are in a position, and that you are sufficiently intelligent to form an opinion that would be well worth while with reference to the management of the C.B.C. at the time you were there; and what I desired was an expression of opinion with reference to the management. Would you care to express an opinion on those lines; or, in your opinion, was the C.B.C. properly and efficiently managed at the time that you were there with them?—A. Well, Mr. Chairman, perhaps the evidence that I gave this morning, and my resignation, might be regarded in part as an answer to that question.

The CHAIRMAN: Indeed they are; do you wish to enlarge on that at all?

Mr. GRAYDON: May I point out, before Mr. Pickering answers your question: As I understand it, I am not sure of my dates, but I think you left the employ of the C.B.C. before this divided system of management came up whereby the assistant manager becomes the head and the general manager becomes the second in command.

The WITNESS: I left before that arrangement was formalized by by-law, but it was in process of making before I left.

Mr. GRAYDON: Of course, there have been a lot of things formalized, not only in by-laws but in orders in council as well, which don't mean a thing in the practical analysis of the situation. Well, who was really the boss when you were there? Or, was there any boss?

The WITNESS: The general manager was the boss, so far as I was concerned. He had delegated some of his responsibilities to the assistant general manager. But I would say that in general, subject to that limitation, or that delegation, the general manager was the boss under the direction of the board.

Mr. GRAYDON: In other words, Mr. Pickering, when the board were dealing with some matter with respect to the internal management of the corporation they dealt directly with Mr. Murray?

The WITNESS: Well now, I want to be most careful in all these things; I was not present at any meetings of the board other than the one at which I presented the draft plan for political broadcasting in July of 1939; so that I really can't give you a proper answer as to the board's dealings with the executive, but I understand that except for certain matters in which Dr. Frigon had the more immediate responsibility, the board dealt with the general manager.

Mr. GRAYDON: Who dealt with finance?

The WITNESS: There was a finance committee of which I believe Mr. Morin was the chairman.

Mr. COLDWELL: It was Mr. Nathanson, wasn't it?

The WITNESS: No, he was a member of the committee; I believe it was Mr. Morin at that time. The present treasurer was in his present position at that time.

By Mr. Graydon:

Q. Yes; but, Mr. Pickering, I think perhaps you have not gotten my question exactly as I intended you should; later, perhaps it was after you had left, but a comptroller of finance was actually set up in the management of the C.B.C.; was there a comptroller of finance when you were there?—A. Not to my knowledge. I never heard of such an appointment or of such an officer, and I would think that the Plaunt report which recommended the conversion of the treasurer's position into a comptrollership of finance would indicate that there was no comptroller of finance prior to that.

Q. Oh yes, quite; actually, of course, that part of the Plaunt-Thompson report never was implemented; it was the assistant general manager who had that added to his already onerous duties after the report came in and contrary to what the report of Mr. Thompson was.

Mr. BERTRAND: No, not contrary; the assistant general manager was chosen instead; it was different.

Mr. GRAYDON: It wasn't so very much different, except that it was completely different; because in one case it was to be given to the treasurer, and in the other it was actually given to the assistant general manager—I hardly see how my hon. friend can say there is no difference between those two situations.

Mr. BERTRAND: It is not completely different.

Mr. GRAYDON: It is so, completely different.

By Mr. Coldwell:

Q. Your association with the corporation was of some importance and I was going to ask you if you would care to express any view as to what you think of the new divided management in the corporation; had you been in your position at the time that was done would you have regarded it as satisfactory?—

A. Well, Mr. Coldwell, I am anxious to answer any questions but I am also anxious not to appear to have any qualifications or knowledge of the corporation which, after this lapse of time, I might not possess; and I certainly do not want to appear to be presumptuous in any way in bringing forward my own views. I did that in a pretty accurate sense when it was my job to do so as assistant to the general manager. I would say in general, as an opinion which any Canadian who is interested in public service broadcasting might have from a knowledge of business in general, that divided executive control is inherently unsound; and I think that applies to the C.B.C. as well as to any ordinary business.

Q. Do you know that such a change was contemplated when you were assistant to the general manager?—A. No.

Q. So that you had no occasion to report upon it?—A. No.

By Mr. Isnor:

Q. What would you say in respect to the present position; isn't there certain responsibility with respect to certain positions; and if that is sound in business practice why would it not be equally sound practice in an organization such as the C.B.C.?—A. There is such a thing as division of authority with respect to certain departments, but I think in most organizations there is someone at the very top in an executive capacity, whether he be the general manager or president or managing director, who is charged with responsibility for the direction of that organization's entire affairs.

Mr. GRAYDON: Well then, of course, there is the other point as well, which perhaps Mr. Isnor is overlooking; and in most corporations they do not call the chief assistant, and the assistant chief.

Mr. ISNOR: Oh no, I was not overlooking that, because that does not exist as far as I can see here.

Mr. GRAYDON: It certainly does exist here.

Mr. ISNOR: It is very definitely stated with respect to the general manager that every other official is under his control.

Mr. GRAYDON: The evidence does not show that at all.

Mr. ISNOR: I think it has been definitely laid down, and I would say that the evidence says that.

Mr. GRAYDON: No, no; not the C.B.C.; I can give you a good example of that in the evidence with respect to the comptroller of finance which definitely is not in the hands of the general manager; the control of that whole section of the C.B.C. work is under the assistant general manager, who is in charge of the technical end of it and as well has the position of comptroller of finance; and all that the general manager, or the chief executive has, is simply a small corner of the C.B.C. work referring to programs and public relations and a few odds and ends that were left to him. What has happened, in actual terminology is that the general manager has been moved from the royal suite to the attic, but he has been allowed to take the name-plates off the door with him; and that is what it amounts to.

By Mr. Tripp:

Q. May I ask the witness if he considers the broadcasting corporation as a business comparable to any private organization of which he has knowledge?—

A. I don't suppose that any two businesses are identical. It has been some time since I have read in detail the proceedings before the various parliamentary committees which were the predecessors of this committee on broadcasting, and the discussions in the House of Commons when the early Radio Broadcasting Commission was set up, and again in 1936 when the Canadian Broadcasting Act was put on the statute books; but I have a recollection that it was hoped that a corporation could be set up which in most respects would parallel a business organization.

Q. Is there anything peculiar about the broadcasting organization, one such as we have here in Canada, which is different from an organization such as you are the head of at the present time?—A. There is no doubt—

Q. Is there anything peculiar about a broadcasting organization as compared with an ordinary business institution?—A. If you were to ask me to give a reason why the executive conduct of the affairs of the corporation could not be entrusted to a chief executive in the person of a general manager as provided under the statute, I would say that I can see no reason.

Q. You do not answer the question, I think; you have just taken the executive part of the corporation.

The CHAIRMAN: The question is: can you see any reason why a public utility of this type could not be run as efficiently as a private business organization; and that is the gist of it, I think.

The WITNESS: That is, would I say why a public enterprise could not be run as efficiently as a private enterprise?

The CHAIRMAN: Will you repeat your question, Mr. Tripp, please; and, a little louder.

By Mr. Tripp:

Q. Is there anything peculiar about the organization of a broadcasting corporation such as we have in Canada which is distinct and different from an ordinary organization of a private or ordinary business corporation when it comes to running the business?—A. You mean, in the complexity of its problems?

Q. Yes.—A. I think there are organizations in this country which, in their vastness and complexity and great extremes of questions that come up—I am thinking of some of the great industrial and mining and transportation organizations—are certainly as difficult as those of the C.B.C.

Q. I might recall that Mr. Nathanson in his evidence the other day said that it was almost impossible to combine executive and technical ability to the degree that would be required adequately to supervise the operations of a corporation such as the C.B.C.—A. I do not feel that I want to express any opinion on an observation by Mr. Nathanson who is a prominent businessman and who has served on the board of the C.B.C.; and I don't want to express any opinion on Mr. Nathanson's evidence; but I would say that in my own view the chief executive does not need to be a specialist in engineering, or a specialist in programs, or a specialist in finance, or a specialist in publicity; he needs to be a person who can if necessary recruit specialists in all fields, weigh and consider their advice and their recommendations, direct their activities, and in the last analysis accept responsibility for their actions.

Mr. HANSON: In other words, good organizer.

By the Chairman:

Q. That question was very general and your answer was very general. Let us be a little more specific, if we can get back to my original question: during the time that you were connected with the C.B.C. did you find the management of the organization in capable hands and those who were directing it efficient in their duties? Now, that is a specific question and should have a direct answer; and confine it to the time at which you were an employee.—A. I will answer in this way, if I may, Mr. Chairman; that there were phases with respect to the management of the affairs of the corporation that definitely did leave something to be desired. That was my opinion at the time. I will put it this way. I did not find myself in any profound disagreement at any point with the main conclusions of Mr. Thompson and Mr. Plaunt.

Mr. HANSON: In other words, they were satisfactory.

Mr. COLDWELL: No, that is not what the Plaunt-Thompson report says.

Mr. HANSON: It is either, "yes" or "no"; the chairman's question called for a direct answer.

Mr. GRAYDON: I think there was a misunderstanding as to what Mr. Hanson means; in other words, he means that the Plaunt-Thompson report was satisfactory.

Mr. HANSON: He was asked whether in his opinion the management was satisfactory at the time that he was with the C.B.C.

The CHAIRMAN: First, was the set-up satisfactory.

Mr. HANSON: He says the set-up was satisfactory.

Mr. GRAYDON: Let us get one thing clear; certainly the Plaunt-Thompson report didn't say it was.

The CHAIRMAN: Order, it is my question; was the set-up satisfactory, in your opinion?

Mr. HANSON: Yes, in his opinion.

The WITNESS: I am not trying to evade anything.

By the Chairman:

Q. The managerial set-up—it is as plain as day—what is your opinion with respect to the managerial set-up?—A. Do you mean, the people occupying the positions?

Q. No, the set-up; the board of governors, the general manager, the assistant general manager—who took over the financial control—

Mr. GRAYDON: You are away ahead of your story yourself, Mr. Chairman.

The CHAIRMAN: The set-up at the time you were there; you are conversant with it, was it a good set-up?

The WITNESS: I will say this: a board of governors responsible for the entire conduct of broadcasting under the Act—a general manager as the chief executive responsible to the board for the administration of all the corporation's affairs—that was sound so far as the constitutional or organizational set-up was concerned; with the qualification that I did not at the time feel, nor do I now, that there should be delegation of any part of the chief executive's responsibility, any formal delegation of it—in the sense of the washing of hands of responsibility. But apart from that I felt that the organization plan, the constitutional plan, as envisaged under the Act was entirely sound.

By Mr. Graydon:

Q. So it is not the legislation of 1936; that is really no question in your mind, it is the manner in which it was carried out under that legislation?—A. In anything that I saw during my experience in the C.B.C., I never had any reason to feel other than that parliament has placed a most workable piece of legislation upon the statute books.

By Mr. Isnor:

Q. Could you name one particular function that your general manager washed his hands of, Mr. Pickering?—A. I believe it has been set forth in evidence that, prior to the by-law formalizing this arrangement, the general manager had devolved certain of his responsibilities on the assistant general manager.

Q. Yes, but was he not directly responsible for every act of every official and employee of the Canadian Broadcasting Corporation?—A. I think probably that is a legal point.

Q. Yes?—A. I think I am not qualified to answer.

Q. Let us know what responsibility he washed his hands of?—A. If that is an extreme phrase, I used it to supplement the statement that there had been a delegation of responsibility. I will withdraw the "washing of hands"; that is a phrase that I probably should not have used.

By Mr. Coldwell:

Q. Along those lines, you said a few moments ago that you agree with Mr. Plaunt and Mr. Thompson in their report?—A. Yes, in general, with perhaps some difference here and there as to emphasis.

Q. Now, the questions that are being asked—you will see them at page 608 of the evidence—there appears part of the report of Mr. Alan B. Plaunt

and I am going to read just two or three sentences from it. On the question of periodic surveys not undertaken, Mr. Plaunt says:—

It would appear only common sense that an organization staffed in this haphazard manner should require a periodical review with necessary replacements. In addition, of course, the corporation, wisely wishing to avoid any appearance of victimization, took over the whole of the Radio Commission staff. The understanding was that all members of the old commission staff would be given a fair trial and, if they proved suitable for the somewhat different purposes of the corporation, retained. But no serious attempt of a periodical review of either the new or the old staff has ever been made. The result is that the majority of the staff, which consists of hard-working, capable, and conscientious people, cannot help being discouraged to find demonstrably incompetent persons retained. Worse than this, the spectacle of persons retained who have been guilty of misconduct, insubordination and even irregularity is not calculated to improve the morale of the organization as a whole.

And then it goes on with, "causes and results":

If one looks for the causes of this situation—which I do not wish to exaggerate—one is ultimately obliged to conclude that it lies in the inability of the general manager to take firm action in this regard. Whatever the reasons, the results are a deteriorating morale and a sense of discouragement in a type of business which requires, above all things, flexibility, initiative, new ideas and vitality.

Those sentences appear in Mr. Plaunt's report; do you agree with that part of the report?—A. Well, I don't say that I would have used precisely that language in all particulars but I agree in substance. Early in 1939, it may have been in March—I know it was sometime prior to the meeting of the finance committee which took place around Easter of that year—I suggested to the general manager that he should institute a survey of personnel on his own responsibility for the purpose of finding which people were not qualified for their present work and even for any posts within the organization; and also as a general personnel survey. Now, I am not suggesting that that mention of that to the general manager is the reason why he did institute a survey on his own initiative, but he did have such a study set in motion. It was the survey with which I believe the finance committee at the Easter meeting asked Mr. Plaunt to associate himself, and out of which a general and more formal survey was authorized at the July meeting, 1939.

Q. Well now, as assistant to the general manager do you know what this refers to:—

Worse than this, the spectacle of persons retained who have been guilty of misconduct, insubordination and even irregularity is not calculated to improve the morale of the organization as a whole.

A. I do not know what, precisely, was in Mr. Plaunt's mind in that passage. I believe elsewhere in his report he refers to certain practices at Vancouver, and I assume—that was my reading of it at the time—that he may have referred to the situation which had developed there.

Q. A situation which had developed at Vancouver?—A. Yes.

Q. What was it?—A. I had no direct dealings on that question and I feel that there are others who could advise more specifically and who have more direct knowledge than I have on that. Mr. Dilworth, the regional representative at Vancouver, was the officer in charge there at the time the difficulties developed.

By Mr. Graydon:

Q. What was the Vancouver situation in general terms? Was it a matter of broadcasting or management or what?—A. I frankly would prefer not to

embark on a discussion of a problem that never in any official way came under my hand.

Q. Mr. Pickering, may I put it this way: I have taken the position in this committee, and a number of other members have too, that nothing must be left unturned in order that every bit of available evidence that will be of some use to us in finding some solution for the problems of public ownership and broadcasting may be brought to light. Now, then, is there someone who can give us that evidence, if you say you cannot, because somebody has to give us this evidence. We cannot let this committee go on having part of the evidence in and part of the evidence out; we have to have the whole story. Making up our minds on half stories will not be good enough for this committee or for parliament or for the public. Can you give me some idea—I do not want to ask you to give evidence on hearsay, because that is no use to us, but who can give us the proper evidence with respect to the Vancouver situation, or is it important enough that the committee need even bother about it?

By Mr. Coldwell:

Q. Did this come under Mr. Bushnell's department?—A. In a regional establishment such as Vancouver you have the program department, the engineering department, the press and information department and now, I believe, the treasurer's department represented. Mr. Bushnell had members of the staff and had a functional responsibility at Vancouver as he has everywhere else where programs are produced. To that extent it might be said that certain members who had to do with programs at Vancouver were involved.

By the Chairman:

Q. Let us get back for a moment. The original question was with reference to these irregularities and the witness was asked a question and his answer was that he did not know what Mr. Plaunt had in his mind with reference to what they related to. The statement which he is making now is a matter of conjecture; that may have been the Vancouver situation?—A. That is correct.

Q. I submit it is not fair to question the witness along lines which are a matter of conjecture.

Mr. COLDWELL: The reason I asked that question with regard to Mr. Bushnell is that Mr. Dilworth is in charge.

The CHAIRMAN: Call Mr. Dilworth as a witness but do not ask this witness questions on something which is only a matter of speculation.

Mr. COLDWELL: May I finish what I was going to say? Mr. Dilworth is not here and we are anxious to get the evidence in and make a report to parliament. Mr. Bushnell is right in the room, and I asked the question of Mr. Pickering in order to find out if he knew anything about this, and therefore, whether it would not be well to call Mr. Bushnell subsequently.

Mr. GRAYDON: We are asking Mr. Pickering at the moment—and I have a right to get this information—what type of difficulty was encountered in Vancouver; was it line difficulty, was it broadcasting difficulty, was it programs, was it management, or what was it? I have not the slightest idea from the evidence given here what was going on in Vancouver. I think if Mr. Pickering would give us the information then we could call the right person and the evidence could be adduced in a proper fashion.

Mr. BERTRAND: If he knows.

Mr. GRAYDON: If he knows, and if he does not know we are none the worse off. All he has to do is say that he does not know.

The WITNESS: I do not know in the sense that I can conscientiously place the information before the committee.

Mr. GRAYDON: I think that is a fair answer. You cannot expect a man to answer something that he does not know, but I think we should know, if it is important.

By Mr. Claxton:

Q. Mr. Pickering, you mentioned this Vancouver incident as one of the possible irregularities or incidents that Mr. Plaunt may have had in mind in connection with the staff. Have you got any other possibilities he may have had in mind, even although you have no personal definite knowledge yourself?—A. To go back to the first part of your question, I said that I thought he might have had the Vancouver practices in mind because they are mentioned also in his report.

By Mr. Hanson:

Q. Did you have anything to do with the Plaunt report, or were you asked to give Mr. Plaunt the information in order to make that report that was presented?—A. No. In one of the early stages of the report, a survey was being conducted by the general manager and Mr. Plaunt was associated with it, and I did assist in the assembling of a certain amount of material for Mr. Plaunt; but that, of course, was with the general manager's knowledge. I sat in on his directions. The great part of that work was done with Mr. Manson—I sat in with Mr. Manson and Mr. Plaunt one afternoon probably in June—May or June—when the personnel of one department with which I was familiar was being reviewed, namely, the Department of Press and Information. That was a very limited collaboration. When the board authorized Mr. Plaunt, with the help of Mr. Thompson, to make a formal survey, I had no part in it.

Q. You supplied them with the information they asked for; is that the idea?—A. Once Mr. Plaunt and Mr. Thompson were authorized by the board to conduct formal surveys which are embodied in the proceedings of this committee, I had no participation.

Q. But once it was authorized by the board, to a certain extent you gave them certain information you had—information that you were in possession of?—A. No.

Q. As soon as it was authorized by the board?—A. No, I was not authorized to work with Mr. Plaunt either by the board or by the general manager.

Q. You said it was in co-operation and with the knowledge of the general manager that you gave this information?—A. I said that, yes, but that was with reference to an earlier stage. As I see it there were three stages in this report: the first was a survey which the general manager started early in 1939 which was on the responsibility of the management; the second was after the finance committee met around Easter 1939, and asked Mr. Plaunt to identify himself with this study which was already under way to some extent; then, third, in July of 1939, when the board met and passed enabling resolutions, it became a survey conducted by Mr. Plaunt himself with the assistance of Mr. Thompson. Now, the second of these stages, when Mr. Plaunt was sitting in with the management in the study, I on one or two occasions—at least on one occasion sat in.

By Mr. Coldwell:

Q. But you sat in with the approval of the general manager?—A. Quite. Mr. Manson and I sat in the boardroom one rather warm spring day when we were discussing, as I recall it, the personnel of the Press and Information department of which I happened to have some particular knowledge, having been engaged in the study of that function and the development of an organization.

By the Chairman:

Q. Is it not a fact, Mr. Pickering, that that investigation and report of both Mr. Plaunt and Mr. Thompson were the outgrowth of an investigation which had been initiated by the general manager earlier in the year?—A. I can only say that I had suggested that the general manager should organize and establish a survey on his own responsibility.

Q. Which he did?—A. Which he did.

Q. And this was the outgrowth of that?—A. And that—it is in the proceedings here—the finance committee invited Mr. Plaunt to identify himself with that study and consider whether or not he would be prepared to assume or take it over himself, and then in July—

Q. It had its genesis in the general manager?—A. As far as I know I have indicated the way it started.

By Mr. Isnor:

Q. Did I understand you in connection with your evidence this afternoon to say that you saw a report of Mr. Plaunt's before it was sent in?—A. No, I made no such statement. I told you that I had seen Mr. Plaunt after I had resigned from the board, but I certainly made no such statement that I saw the report.

Q. The report was sent in on September 30. Mr. Plaunt refers to the overstaffing or understaffing. He does not appear to be greatly exercised in regard to overstaffing. The witness yesterday told us it was greatly overstaffed, and one of the members of the committee asked you today as to whether you considered it was overstaffed?—A. The chairman tells me that the previous witness had reference to the regional office in Toronto. I think Mr. Plaunt's conclusion, here at any rate meant, taking the organization as a whole, that there probably was no great amount of overstaffing, but that does not mean that in specific places there were not more people than were needed and in others fewer than were needed.

Q. We might read that into it, or otherwise we might not read that into it; he does not mention it or deal with that in a general way, but says: "We are not greatly overstaffed."

By Mr. Coldwell:

Q. He does say "that the majority of the staff, which consists of hard-working, capable and conscientious people, cannot help being discouraged to find demonstrably incompetent persons retained. Worse than this, the spectacle of persons returned who have been guilty of misconduct, insubordination and even irregularity is not calculated to improve the morale of the organization as a whole."

MR. ISNOR: He does not say he is dealing with the question of staff specifically.

MR. COLDWELL: This is the report on the corporation's personnel—that particular report was made not in a general way on the staff, but on the personnel of the staff, and he makes that specific statement.

THE CHAIRMAN: What is the question to the witness in that report? Are there any further questions you desire to ask the witness?

By Mr. Hansell:

Q. There is one slight question in my mind. I have not yet quite appraised the value or the responsibility of Mr. Pickering's position as assistant to the general manager. I am wondering whether Mr. Pickering was responsible for making suggestions, perhaps on his own initiative or otherwise, as to what should or should not be done? Was that considered his responsibility? I am

wondering whether Mr. Pickering may have, to some extent, exceeded his responsibility or his authority; perhaps may have become overbearing in insisting that this or that be done and the general manager may or may not have thought Mr. Pickering assumed, perhaps, a little more responsibility than he was entitled to under his position.

By the Chairman:

Q. Mr. Pickering, were your duties defined when you took over the position?—A. The general manager indicated the nature of the post to which he appointed me. I was to deal with special problems and assignments, reporting directly to the general manager. Probably I can answer Mr. Hansell's question best by saying that my post developed along the lines that the general manager had it develop in the months of my association. As I have already mentioned I carried out on the general manager's instructions several major undertakings including, among others, the organization of the Press and Information Department, a report on Problems in Southwestern Ontario, and the problem of party political broadcasting. In addition to special problems such as those which were assigned, I discharged a substantial volume of day-to-day commissions and drafting for the general manager. I saw the general manager frequently and at length as the work in hand required. As a regular and almost daily practice, the general manager discussed problems with me. From time to time he indicated that I was to raise any questions affecting the affairs of the corporation, and I think it is an accurate statement for me to say that I had been encouraged to give my views for whatever they may have been worth.

The CHAIRMAN: I think that answers your question, Mr. Hansell.

Mr. HANSELL: Yes. You were appointed by the general manager?

The WITNESS: Yes.

Mr. HANSELL: The general manager, therefore, would have authority to discharge you if he wanted to?

The WITNESS: Incidentally, Mr. Hansell, I would like to take this opportunity of saying that I clearly recognized then that the chief executive of any corporation has the unquestioned right to dismiss anyone he wants, and if he so wishes he has the unquestioned right to have on his staff only people whose views coincide exactly with his own. At no time did I take any exception to the general manager terminating my work. As a matter of fact, I offered my resignation in writing as soon as it was definitely clear to me that I had lost his confidence. There can be no doubt on that point.

Mr. HANSELL: That answers my question.

The CHAIRMAN: Are there any further questions?

Mr. SLAGHT: I have not been here for a little while and perhaps this matter has been covered. As assistant general manager did Mr. Pickering—

The CHAIRMAN: Mr. Pickering was assistant to the general manager.

By Mr. Slaght:

Q. Did Mr. Pickering have occasion at any time to go behind the general manager's back to the board or did he always endeavour or always go through the general manager, making his representations on any views he had, or defer to the general manager himself; or did he go to others?—A. Well, Mr. Slaght—

Mr. SLAGHT: That may have been covered, and I ask that question with deference; if it has been covered I shall not take the time of the committee.

Mr. BERTRAND: Yes, it has been covered.

The CHAIRMAN: He followed the regular procedure.

The WITNESS: I was in a very direct, immediate personal relationship to the general manager.

By Mr. Graydon:

Q. Almost a Friday relationship?—A. I had no departmental duties or staff. I had no access to the board. I was merely the servant of the general manager to do whatever he thought I could usefully do. Now, on his instructions, as I said in my evidence this morning, I frequently saw people in varying stations of life. I saw the chairman of the board.

The CHAIRMAN: That is all on the record.

Mr. SLAGHT: Don't go into it again then.

Mr. HANSON: Are we putting on the record Mr. Pickering's resignation and the answer?

The CHAIRMAN: The letter of resignation and the acceptance? There are two such documents?

The WITNESS: There are not just two. There was correspondence which began on the 7th or 8th of September and carried through until about the 3rd of October.

The CHAIRMAN: Is there any information in those documents which, in your judgment, would be useful to the committee; or does it suffice to know that you put in your resignation and that it was accepted after some delay?

The WITNESS: I have no objection whatever, as I said earlier, to the correspondence being tabled. It dealt with two proposals which the general manager made to me as to a new arrangement within the organization which in my feeling I could not accept, but I do not feel they would throw any particular light.

The CHAIRMAN: Would it suit your wishes if the correspondence were tabled?

Mr. HANSON: Yes.

Mr. GRAYDON: I am still not satisfied about the Vancouver business. I do not want to pursue the matter unduly, but I would like the witness to indicate whether there is any one man we could call as a witness who would clear up the matter which he has brought in and which he says is a matter upon which he is not competent to give evidence.

The WITNESS: The ideal person, I would say, to inform the committee would be Mr. Dilworth, the regional representative at Vancouver.

The CHAIRMAN: Of course, you do not know that; you only suggest that.

Mr. GRAYDON: Is he in Vancouver?

The WITNESS: I do not know. I do not know if he is still in the organization, as a matter of fact.

Mr. COLDWELL: Could Mr. Bushnell give evidence upon that point? He is here and I would like to ask him a question.

The CHAIRMAN: If it is the will of the committee we will call Mr. Bushnell after we are through with this witness.

Mr. GRAYDON: Is there anyone else in the corporation in Ottawa who could enlighten us on that particular point with respect to the Vancouver business?

The WITNESS: Well, Mr. Graydon, I made one suggestion, and in the light of the chairman's comment on it I wonder if I was in order to make it.

The CHAIRMAN: It is not evidence.

Mr. GRAYDON: I realize that, Mr. Chairman, but after all we have to find the facts on this.

The CHAIRMAN: Get the facts from somebody who has knowledge of them, but not through a third person.

Mr. GRAYDON: I realize that. I am not asking Mr. Pickering to give any evidence on that at all; I am asking him to indicate to us someone who can give the evidence.

The CHAIRMAN: Something which he is not in a position to answer, in my judgment.

Mr. BERTRAND: If he is not, he is not.

The CHAIRMAN: He has already stated that.

Mr. GRAYDON: He did not say that. He gave us the name of one person. How can the chairman say that?

Mr. COLDWELL: Mr. Pickering also said that Mr. Bushnell was in charge of one section of this particular broadcasting activity at Vancouver and might be able, I understand, to enlighten us. Mr. Bushnell is right in the room.

The CHAIRMAN: Exactly, and he can deal with that right after we are through with this witness. Are there any further questions?

By Mr. Graydon:

Q. Might I ask Mr. Pickering this, is there any other information within your knowledge which would be helpful in connection with the committee's work that you have not given us up to the present time?—A. That is a very general question. I have nothing particular in mind.

The CHAIRMAN: A very proper question, though.

By Mr. Graydon:

Q. We do not want, as a committee, to let you go from the stand without at least having something from you and you are the only one who can tell us whether or not you have in your own opinion something further to add in regard to what we are trying to do, to better the broadcasting set-up in the Dominion, and I want the question answered for that reason.—A. I do not believe I have anything further to add.

Mrs. CASSELMAN: May I ask, Mr. Chairman, if this position of assistant to the general manager was continued after Mr. Pickering's resignation and, if so, who followed him?

By the Chairman:

Q. Have you knowledge of that?—A. I have no knowledge of anyone following me, but there again I am not the person to answer that question.

The CHAIRMAN: Is there anything further? All right, Mr. Pickering, thank you very much for your evidence.

Major MURRAY: May I make a brief observation at this stage?

The CHAIRMAN: Is that the wish of the committee?

Mr. COLDWELL: I think Major Murray should have every opportunity to deal with the evidence submitted but I was wondering if this is the proper time.

The CHAIRMAN: If it is not too lengthy we might proceed with it. If it is, I think in justice to Mr. Bannerman, who is here, that he should be called as a witness.

Mr. COLDWELL: We thought of calling Mr. Bushnell, as well.

Mr. GRAYDON: Let us call Major Murray.

Mr. COLDWELL: I am quite agreeable.

Major GLADSTONE MURRAY, recalled.

The WITNESS: I suggest, Mr. Chairman, to save time I will put this on the record, and I can be cross-examined on it later, if necessary.

Mr. GRAYDON: We want it on the record now because by the time it gets printed the report will be in and there will be no opportunity.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, a statement has already been given by me in evidence about Mr. Pickering and it appears in the record. You will recall what was said. Now, as a result of what Mr. Pickering has said to-day I would offer the following brief observations supplementing the statements already given. In that statement which appears in the record Mr. Pickering has made a correction. I said that the correspondence was private and confidential at his request. I accept his correction of my memory. It so happens the correspondence is all marked in that way and I accept his point that it was I that initiated that. I was therefore wrong in saying it was made private and confidential at his request.

Mr. Pickering's interest in public service radio dated, I understand, from the early days of the corporation. I was informed by Mr. Plaunt that Mr. Pickering was on his own account one of the most zealous supporters of the idea of public service broadcasting. It was through Mr. Plaunt that I met Mr. Pickering several years before he became associated with the C.B.C. I think now in fairness I should make this point. I should say quite definitely there was no "deal" or "bargain" so far as I know as a quid pro quo for any previous services rendered. In my opinion, Mr. Pickering's early help resulted from his keen interest in public affairs generally and his progressive views on public ownership.

Just before the Royal tour Mr. Pickering resigned from the Prime Minister's secretariat and took up work on his own.

By Mr. Graydon:

Q. Is there any suggestion of any bargaining? I did not hear of any?—

A. There had been.

Q. There has been nothing in the committee about that.—A. There had been. In the autumn of 1938 the task of surveying and reporting on the press and information service of the C.B.C. became urgent and I remember discussing the matter at length with Mr. Brockington, Mr. Plaunt and Mr. Nathanson. In the end action was taken as reported in the evidence, and the results were satisfactory.

Then, the question arose as to an appointment on the staff for Mr. Pickering. There were several openings. Could he be used more advantageously in the press and information service or in some other capacity in Toronto? Alternatively should be used with the headquarters staff at Ottawa? My feeling at first was for the former suggestion, that is, with the press and information service upon which he had reported so ably but on consideration I accepted the latter suggestion and he joined my personal staff at Ottawa for special assignments. A determining reason in support of this decision was that it had become necessary to make an intensive study of political broadcasting with a view to the consideration of that subject which was likely to be given by the Select Committee on Radio of 1939. Mr. Pickering applied himself to this task with characteristic diligence and care, a task in which he was closely associated with Mr. Plaunt. Those two, indeed, may be considered the joint authors of what has come to be known as the "White Paper" policy. There had been discussions from time to time about improved status and financial reward for Mr. Pickering who felt that he should be definitely recognized as junior to no one on the staff except the assistant general manager and myself. Questions of formal seniority have an important bearing on morale and discipline and cannot be solved without taking into account the status and claims of members of the staff with relatively long service. Insistence on formal status is an unusual experience in the C.B.C. Mr. Bushnell has already described in his evidence the essentially democratic and co-operative spirit that

exists among the staff. Dealing as we do with a multiplicity of problems, facing new situations almost from day to day, with a tempo of action subject to sudden acceleration, the working motto, by general agreement, is "Let's get on with the job".

With the impact of war all our operations had to be speeded up and put on an emergency basis. Faced with unpredictable developments, I felt that I had to try to secure for myself a greater degree of freedom from the handling of detail. Various emergency organization proposals were considered. Those may be examined in the correspondence that Mr. Pickering tabled, or some of them. In the end simplification was decided upon. I made a special endeavour to meet Mr. Pickering's minimum proposals for status but, as already reported, I did not succeed.

It has been suggested by Mr. Pickering in evidence that after a certain date he felt that he had completely lost my confidence. If that had been so his resignation would have been accepted forthwith, not a month later, or about a month later. It was also suggested that a contributory factor in my loss of confidence might be his dealings with the treasurer on financial matters and in particular about my expenses. I deny this categorically. As to expenses it has been given in evidence by me and it has been supported by the treasurer that there were no irregularities, nothing not disclosed. The purpose of expenditure was always indicated in vouchers submitted as requested. In this connection I refer to my evidence on page 170, paragraphs 3 and 4, and I repeat:—

In all this there has been nothing *sub rosa*, nothing hidden. The record of the day-by-day cost to the corporation of my expenses was kept meticulously as a matter of ordinary accounting routine, and was regularly audited by the representative of the Auditor General. Changes of method in handling the accounts have been made from time to time, in accordance with the advice of accountants, and the instructions of the finance committee of the board of governors, and nothing illegal has been done.

Also, there is the very emphatic evidence of the treasurer on page 655. I hope very much that the committee will have an opportunity of examining the treasurer further on this point if there are misgivings. There may have been times when my own diary was inaccurate. In any event it was thoroughly understood that the treasurer's conclusions should have absolute finality. I am reading now from a memorandum headed "Travelling and Special Duty Allowance Accounts" from the treasurer dated the 4th of October, 1939, and addressed to me:—

I am now satisfied that your secretary and the accountants have recovered from their various records a statement of the number of days absent from Ottawa on duty, which is borne out by transportation and other records.

I gave what information I had and it was always left for the treasurer to determine on the other evidence—that is, the transportation evidence—what actually was due.

With regard to those items which have been mentioned under the head of "Intelligence" these amounts were claimed to cover expenditure which I incurred in what I considered to be a perfectly right and normal way for the protection of the C. B. C. There was no such thing as an intelligence fund. These were part of the ordinary running expenses. The items incurred in securing reports were during a period in which it seemed to me important to know to what extent, if at all, there was to be reflection in Canada of the struggle then beginning in the United States for a measure of public ownership in radio. It had come to my knowledge that in certain eventualities the precedent of the C. B. C. might be

quoted to the disadvantage of the U. S. private interests, who, in self protection, might feel it necessary to change their friendly attitude towards the C. B. C. It was clearly a matter of serious concern. It was a matter of vital business interest to us. It was as important to have a negative reply as a positive one. It was learned that at one time there were reasons for apprehension and that these reasons would have gained much more substance if it had not been for the outbreak of war. It was in that connection, and in that connection only that these expenses were incurred. There has been no question of hiding the nature of the expenditure or of delimiting the area of its communication.

By Mr. Graydon:

Q. Did you ever submit details of these expenses to anyone, Major Murray?—A. I simply gave my customary explanation with the statement to the treasurer and it was available for examination by anyone concerned.

Q. Only to the treasurer, never to the board of governors?—A. I took no other steps, but the board of governors, I always presumed had access. I took no other steps than that because I regarded it as a perfectly normal matter.

Mr. SLAGHT: You would not submit them twice.

By Mr. Coldwell:

Q. Were they detailed?—A. I believe so. I have not seen them for 2½ years.

Q. They would give the names of the persons to whom the payments were made and the particulars?—A. Yes, I presume so. I have not looked them up. There were as many details as I had, at all events.

By Mr. Graydon:

Q. I may be wrong but I took it from the evidence that this \$1,000 was two or three lump sums which had no reference whatsoever to detailed expenditures and that no list of those details was ever rendered to anyone? That isn't so?—A. No.

Mr. COLDWELL: May I suggest this—

The WITNESS: Audited by the auditor general too.

Mr. COLDWELL: In view of the evidence it would be well if the vouchers in connection with this were produced and the details of the expenditures put before this committee. The treasurer will probably do that.

By Mr. Slaght:

Q. Did you say they had been audited by the auditor-general?—A. Yes.

Mr. GRAYDON: I think that would clear the air if the vouchers were produced for the inspection of the members of the committee.

The CHAIRMAN: We will have the treasurer produce them when he appears before the committee.

Mr. SLAGHT: Why not have the auditor-general?

Mr. GRAYDON: It does not matter.

Mr. COLDWELL: If they are with the auditor-general that is the one—

Mr. SLAGHT: Are we going to re-audit the auditor general's audits?

The WITNESS: The auditor general examines those and they are sent back. Now, Mr. Pickering raised the question of the first period in the war. I tried to cover that as accurately as I could in the evidence already given. I tried to explain there was a day-to-day relationship with the minister, Mr. Howe, that he had asked me particularly to keep him informed of what was happening in the United Kingdom about the B. B. C. under war organization, that he was careful at no time to indicate either his own opinion, or the opinion of the government as

to any structural or constitutional change that might be made in Canada, and that, in fact, there was no structural change but in those very difficult days Mr. Howe himself was unable to be present at the suggested board meeting on September 6 and there had to be perhaps abnormal consultation. I think that is very important, abnormal consultation. I kept in telephone consultation daily with the chairman of the board of governors, and tried to work it on that triangular basis.

This particular memorandum of Sunday September 3rd, was an important definition of a problem of Government concern. Now, it was my custom to go to see Mr. Howe at 9 o'clock in the morning or a quarter to nine, three or four times a week, perhaps four or five times a week in September, and the reason why I did not send this over by hand to the hon. Mr. Howe was because I wanted to take such a specially important document like this along with me and read it with Mr. Howe and get his views on it, and that is what I did.

By Mr. Graydon:

Q. It reached Mr. Howe?—A. Yes. We discussed it and he said, "Well, we are in no position now to decide this." He said, "The thing is to carry on, do the best you can" He said, "I have no special views on this matter. We shall have to see how things develop and deal with situations as they arise." There was no further action taken on that particular matter, but Mr. Howe was informed about it.

By Mr. Coldwell:

Q. I was going to ask this: Was there any agreement between Mr. Howe and yourself that the board of governors should not be called at that time?—A. Certainly not. I have given the reason in evidence. It appears on the record. On Mr. Brockington's instructions I had sent out a telegram calling the board for the 6th of September, if my memory serves me, and then on the same day or the following morning, probably at nine o'clock, Mr. Howe said, "Don't have them yet because I want to have full time to consult with them when they meet." It so happened that he was so busy with other things that he could not actually meet them until October but meanwhile there was constant communication on the one hand between me and the minister, and on the other hand between me and Mr. Brockington, Mr. Nathanson and Mr. Godfrey. The telephone bill of that month, I think, would prove that.

Q. Who sent the telegram saying that no meeting of the board was to be held on the sixth?—A. I sent a telegram to Mr. Brockington expressing the wish of Mr. Howe that it be deferred and asked Mr. Brockington's direction. Mr. Brockington then told me to send another telegram to the board saying that the meeting was postponed subject to the convenience of the minister. That is given on page 497.

Q. Yes, I had forgotten it.—There was a further point raised in connection with news commentaries being banned from the air. When war broke out privately owned stations affiliated with American networks—that is CFRB Toronto, CKLW Windsor, CKAC Montreal and CFCF Montreal—were permitted to continue broadcasting sustaining news commentaries from the United States. Shortly afterwards a talk by John Gunther criticizing England caused quite a furore. I decided on my own account, but there was no objection from Mr. Brockington—I told him about it—I had to decide on a few minutes' notice, and I informed Mr. Howe and there was no objection on his behalf—that the Gunther talks should not be broadcast in Canada. It was quite a bad break. However, it was felt it was ill-advised to discriminate against a single commentator and therefore the American network affiliates in Canada were not permitted to broadcast any American commentaries for the time being. Subsequently this decision was taken over as a formal ruling of the radio

censorship authorities and the prohibition is now a censorship prohibition. Any modification or change would require the permission of the censorship authorities. The authority for the prohibition of sponsored commentaries from the States is, of course, paragraph 36, section (d) of the White Pamphlet.

By Mr. Graydon:

Q. Was news banned?—A. Just the commentaries. We had our own news. We did ban flashes. We found we were suffering from an epidemic of sensational flashes and we had to knock them out.

By Mr. Coldwell:

Q. You did ban American news. For example, you had a Columbia program that used to come on from 8.30 to 9 and then Elmer Davis came on at five minutes to 9. If I recollect the moment that Elmer Davis used to come on I used to tune into the American station but our station continued with a few bars of music.—A. That is a news commentary.

Q. That would come under that ruling?—A. Not because there was any objection to Elmer Davis but because of the importance of being uniform in the treatment, and, of course, if you will recall the circumstances of those early months in which we were at war and the United States not at war there were some very strange things came over the networks I hope there are no further points. I think that covers it, Mr. Chairman.

By Mr. Bertrand:

Q. May I ask a few questions? I understand immediately before the war—that would be in July and August, 1939—there was an imperial conference in London of the heads of the broadcasting corporations of the empire?—A. It was not an imperial conference. It was a conference held with a view to making preparations against the eventuality of war and most of the broadcasting organizations of the empire were represented.

Q. You were there?—A. Yes.

Q. And so was Mr. Brockington?—A. Yes.

Mr. ISNOR: Before we get into any other evidence I think we should be fair to Mr. Bannerman, who has been here all day, and hear him.

Mr. GRAYDON: We just want to clear up one point as far as Major Murray is concerned and that is that the committee will have the benefit of an inspection of the vouchers of his expenses in this special account.

The CHAIRMAN: That is understood, and it is the will of the committee to call the treasurer.

Mr. COLDWELL: Mr. Chairman, it is suggested that perhaps this might be followed up by Mr. Bushnell for a few minutes.

E. L. BUSHNELL, recalled.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, I accept full responsibility for any irregularities there may have been in Vancouver as mentioned in Mr. Plaunt's report. Those irregularities took place in the days of the Canadian Radio Broadcasting Commission. If you want to know anything more about them I can give you the whole story in detail. Furthermore, the then manager of CBR, Mr. Radford, is in the room and has been in attendance at all the committee meetings. These irregularities were born of the system under which we operated, and as further evidence I can tell you I was engaged by the Canadian Radio Broadcasting Commission as its chief engineer.

By Mr. Coldwell:

Q. I was going to ask you, you say under the old set-up this occurred?—A. Correct.

Q. The question of divided management? The question of divided management?—A. That is right, and the situation under which we operated at that time. We could not get employees. We could not carry on our work, and there was money paid to artists and paid to some of the C.B.C. employees in order to retain them, and that is all there is to it.

By the Chairman:

Q. Just there, it has no connection with the Canadian Broadcasting Corporation?—A. None whatsoever.

Q. It is not within our jurisdiction to investigate it.

Mr. GRAYDON: May I suggest, Mr. Chairman, Mr. Bushnell speaks about his being appointed as engineer. I suppose turn about is fair play because now we have an engineer in charge of the French network. There is nothing unusual about that apparently in the affairs of the corporation whether it is the last corporation or this one.

Mr. COLDWELL: I cannot understand this then—

The WITNESS: I never could understand why Mr. Plaunt put it in there. I don't know.

Mr. SLAGHT: There are a lot of other things in there that I cannot understand.

Mr. BERTRAND: The report mentioned these difficulties as having arisen some time before 1939 but this arose before 1936.

By Mr. Claxton:

Q. When were these irregularities cleared up? When were they dealt with?—A. I believe they were dealt with as soon as they were discovered if they were considered irregularities.

Q. Was that in 1939?—A. I believe it was before then. I believe Mr. Radford can give you the exact dates.

By Mr. Coldwell:

Q. Had that been going on for a number of years without being cleared up?—A. Well, yes and no. They were not considered as irregularities. They are irregularities under our present system but they were not irregularities under the old system.

Q. What do you mean by the old system?—A. That is the Canadian Radio Broadcasting Commission system.

Q. That went out in 1936?—A. Yes.

Q. And they were not cleaned up until 1939?—A. Oh no, oh no.

Q. That is what I am trying to get at. When were they cleared up?—A. I could not give you the exact date but certainly they were cleared up long before Mr. Plaunt or Mr. Brockington I believe, investigated the matter.

By Mr. Slaght:

Q. Were they audited in due course?—A. Yes.

Q. And approved by the auditors?—A. So far as I know, yes.

By Mr. Claxton:

Q. Were these brought to the attention of the board of governors?—A. I don't know, sir.

Q. You don't know if there is any reference in the minutes of the board of governors?—A. I do not.

By Mr. Graydon:

Q. Was it a matter of working under a poor system or was it something that was really serious?—A. In my estimation there was nothing serious whatsoever. It was the system under which we worked, but I can assure you very definitely there was no dishonesty.

Q. Of course, we have not had any evidence as to what it was, but I have been trying to find out what the situation was in the first instance.—A. Well, I will give you an example of it, as I remember it. We had a clerk, grade 1, out there. I think his name is Yeomans, and I think he was getting a salary of somewhere between \$700 and \$1,000 a year.

By Mr. Slaght:

Q. Do you remember what year that was?—A. That was prior to 1936.

Q. 1934 or 1935?—A. Yes.

Q. It would be under a different government than the present government.

Mr. GRAYDON: I would not know about that.

Mr. COLDWELL: You mean a different corporation government.

Mr. SLAGHT: No, I mean under a different government.

The WITNESS: He was a married man with several children and Mr. Radford in his wisdom felt he could not live on that and live decently, and as I recall it he arranged for that man's wife to write a few scripts which we had to have and which she was quite capable of writing, and she was paid for them. That is a sample of one of the irregularities in Vancouver.

Mr. SLAGHT: You need not shudder.

The CHAIRMAN: If you refer to the report carefully you will see that when Mr. Plaunt made reference to the Vancouver instance it was done entirely for the purpose of illustration because he gave a verbal illustration and he says this relates to the action which it appears to me should be taken as a result of the practices which had previously been disclosed and he illustrated what they were with a view to not having a recurrence of such practices or correcting practices that did exist or might exist at the time he gave this as an illustration. It was not an existing practice.

Mr. COLDWELL: So this in his report may not necessarily have reference to Vancouver but to something else he had in mind which he intended to report on verbally.

The CHAIRMAN: That is exactly the point. It was only an illustration and it need not be brought up again here. It is only threshing old straw.

Mr. GRAYDON: It depends whether there is any wheat in the old straw.

The CHAIRMAN: Well, there does not appear to be much.

GLEN BANNERMAN, called.

By the Chairman:

Q. Mr. Bannerman, will you give the committee your name, please?
—A. Mr. Chairman, Mrs. Casselman and gentlemen—

Q. Just give us your name, please.—A. Glen Bannerman.

Q. Your address?—A. Toronto, Canada.

Q. And your occupation?—A. President and general manager of the Canadian Association of Broadcasters.

By Mr. Coldwell:

Q. What is that association?—A. I wonder if I might come to that in the statement I am going to ask permission to make.

By Mr. Graydon:

Q. Have you just got one general manager in that outfit?—A. Just one; when we have two I resign.

As president and general manager of the Canadian Association of Broadcasters, I want to express my appreciation for the courtesy of the invitation received from your committee to appear here today on behalf of the association.

When your committee was first appointed, we discussed asking permission to appear before you to present some matters concerning the relationship between the privately owned broadcasting stations and the Canadian Broadcasting Corporation. At the time, it was felt that such action might be misinterpreted as a desire to interfere in the internal operation of the public-owned corporation and we decided to wait until we were invited.

With your permission, I would like to present a statement on behalf of the Canadian Association of Broadcasters. Naturally, I shall be pleased to have members of the committee interrupt at any point to ask questions which may come to their minds.

For purposes of the record, I should perhaps state that my name is Glen Bannerman. I have been president and general manager of the Canadian Association of Broadcasters since February 15, 1941.

I should also add I have with me today Mr. Joseph Sedgwick who for some years has been our legal counsel and is familiar with the question of licences and performing rights in case there are any matters the committee wish to ask him about in that connection.

The Canadian Association of Broadcasters is a voluntary association of privately owned broadcasting stations operating under a Dominion of Canada charter granted at Ottawa on the 27th day of January, 1926.

As a background against which we might project our thinking, I should perhaps mention that broadcasting officially came into being on May 1, 1922, with the issuing of licences by the government. That was a little over twenty years ago, a very short time in the life of any industry or business. From May, 1922, until the close of the year 1924, the government issued a total of 59 licences, only 28 of which are still in operation. It is only within the past few years that the broadcasting industry may be said to have emerged from the pioneering stage, if, indeed, we can as yet claim to have gone beyond the pioneering era.

It is noteworthy that up until 1932 all the pioneering, all the experimenting with this new medium, all the struggles and heartaches that go into the birth of a new industry, were borne by privately owned broadcasting stations. Every bit of development was financed by private capital and large yearly losses were the common experience. In fact, it is only within the last five years that any number of the privately owned stations have entered into black figures and begun to recover some of the losses of the first fifteen years.

A few of the early pioneering broadcasting stations might, at this point, be mentioned. Those first licensed in 1922 and presently operating are: CFAC, Calgary; CFCF, Montreal; CKCK, Regina, CJCA, Edmonton; CKAC, Montreal; CKOC, Hamilton; CFCN, Calgary; CFPL, London. Those first licensed in 1923 and presently operating are: CKY, Winnipeg; CFQC, Saskatoon, and in 1924, 1925, and 1926, CKCO, Ottawa; CKCL, Toronto; CFCY, Charlottetown; CFRB, Toronto; CJOC, Lethbridge; CHNS, Halifax, and CFJC, Kamloops.

Without imposing on the time of your committee to give the entire list of privately owned stations licensed prior to 1932, these few will serve to call to mind the honourable place which privately owned stations hold in pioneering broadcasting for Canada.

We believe that all will agree that broadcasting in Canada has come a long way since those early days of 1922. No intelligent person would, however, claim that we have reached perfection in service to the public. In fact, I have

never heard it put so well as in the testimony of Mr. William S. Paley, president of the Columbia Broadcasting System, before the House Committee on Interstate and Foreign Commerce in the United States. I quote from Mr. Paley as follows:—

You will not be startled when I tell you that I do not know of any perfect system of broadcasting. Under any system, public or private, it must suffer to some extent from the frailties and the weaknesses of the human beings who administer it. Anything requiring money on which to live will sometimes be adversely affected by economic necessities. On the other hand, economic necessity is one of the swiftest and the most effective correctives for those who try to fly in the face of public opinion and public desire.

The physical limitation on the number of wave lengths makes it impossible to do everything that everybody wants. There are only so many hours and the public has its own listening habits, and both these facts must militate against perfection. Not all people want the same things and most certainly not all of them always want these things at the same time. All this means that any perfectionist can poke some holes in the job we do, any idealist can always tell us how to do it better. Maybe the idealist will be more right than we are; maybe he will only be a little more brash about trying to thrust into people's ears the things he thinks they ought to hear.

I have dealt on the impossibility of perfection because I do not believe the congress or anyone else will ever think straight about broadcasting until it is recognized that there are some limitations. The time may well have come for the congress to make up its mind what it wants most in the name of the people and to reconcile itself to getting the greatest good for the greatest number. Not until congress does this will it have weighed the good and the bad of any particular set-up, judged the risks involved in trying to protect any given concept and balanced gain against loss.

If congress will look at things as they are, will form its judgment as to whether or not we are proceeding along good lines and as to whether or not we have progressed at least as rapidly as any enterprise in America seeking to serve the public interest, I believe it can and will legislate intelligently. And if it does, I know that even the progress we have made in the last fourteen years, of which I admit we are a little proud, may well seem like the first halting steps when viewed against what we can do in the next ten.

To me the first and fundamental requirement for radio broadcasting is that it shall be kept completely free. By this I mean that congress should specify a legislative framework for radio which is in harmony with the constitutional guarantee of freedom of speech. This freedom means that except for the applicable laws of libel and slander and prohibitions on obscenity and such, no government agency should ever be allowed to tell the American people what they may hear and what they may not hear.

There is little debate in this country about freedom of the press . . .

Q. Is that an American speaking?—A. This is Mr. Paley before the House Committee in the United States.

Q. He does not think the representatives of the people should have much to say about it.—A. Not all the representatives, he says a government body.

. . . With all due respect to my fellow publishers of the printed word who address the eye and not the ear, I believe I may say that today freedom of the air is at least as important to the American people as freedom of the press.

Let us now turn to the physical setup of the broadcasting stations in Canada. As set forth by Mr. Rene Morin on page 38 of the minutes and proceedings and evidence of this committee, there are 84 broadcasting stations in Canada. Ten of these are owned by the Canadian Broadcasting Corporation and 74 are privately owned. 61 of the privately owned stations are members of the Canadian Association of Broadcasters.

By Mr. Graydon:

Q. What are those figures again?—A. 74 privately owned and 61 of the privately owned stations are members of the Canadian Association of Broadcasters.

Q. There are 13 of them you are still working on?—A. Yes.

According to the published rate card of the Canadian Broadcasting Corporation, the basic network consists of 9 of the C.B.C. stations and 26 privately owned member stations of the Canadian Association of Broadcasters. These privately owned stations, in return for reserved time, are entitled to take any or all of the corporation's sustaining programs and are sold as "must" stations by the corporation's commercial department for all national network commercially sponsored programs.

Eleven member stations are on the supplementary commercial list, according to a C.B.C. rate card effective December 15, 1941, released to the advertising agencies. These stations are required to take certain network sustaining programs and under conditions have access to the corporation's sustaining programs. Time over these stations may be, but is not necessarily, sold to commercial sponsors using the national network.

The remaining 24 member stations are not affiliated with the corporation's programs of national and international importance. These stations are dependent entirely upon local or transcribed commercially sponsored programs for the revenue which enables them to serve their communities.

What, we ask, is to be the position of the privately owned broadcasting stations in the national picture?

Mr. Gladstone Murray, general manager of the Canadian Broadcasting Corporation, giving evidence before the 1939 parliamentary committee on page 312 of the minutes of proceedings, speaking of a meeting of the board of governors with the Canadian Association of Broadcasters, stated:—

On the one hand there was admission of the position and public responsibilities of the C.B.C.; on the other hand there was admission of the place of private ownership in the pattern of Canadian broadcasting and a recognition of its legitimate desire for that measure of security and elbow-room which is consistent with a fair interpretation of the public interest.

A fair interpretation of the public interest is considered by the Canadian Association of Broadcasters to be the best interest of the community in which each privately owned station is situated. The function of the privately owned station is considered to be the broadcasting in its community of the best available entertainment, information and news, consistent with revenue. The broadcasting stations have a further duty to perform, that of making known through commercial sponsorship the goods and services which are available for the convenience and comfort of the citizens of any given community.

Anything which handicaps the privately owned broadcasting station from performing these functions reduces its usefulness to the community. Any restrictions or regulations which make it impossible or difficult to provide the best in entertainment consistent with the wishes of the majority of the citizens in a given community is a disservice to these citizens.

Mr. BERTRAND: In theory that is correct.

The WITNESS: Here is an illustration of the importance of this thesis. Let us take an area served by one of the corporation's high-powered stations and several smaller areas within that area served by lower-powered privately owned stations. Obviously, the high-powered station cannot enter fully into the community life of any one of the several communities within its area. It can hardly devote its time to helping along a special community effort or campaign for the one community since it speaks to several communities with the same voice.

By Mr. Graydon:

Q. A number of your bigger stations have had difficulty in that regard?
—A. You do have some difficulty when they extend very widely, over a wide area.

Q. You give something to one town which is putting something on and you have to do it for the rest of them and the result is you have to abandon it altogether.—A. It must restrict itself to entertainment, information, and news of a more national character.

For example, let us suppose that a member of parliament wishes to speak to the members of his constituency in one of these smaller areas. Undoubtedly, he has the choice of using the high-powered station or the privately owned station nearest or in his constituency. If he uses the high-powered station, the member would not only be away from his community but would be speaking to the constituents of other members as well as his own.

It would therefore seem logical for him to speak over the station in or nearest to his constituency.

Mr. GRAYDON: There is another angle to it and that is, of course, it is a little cheaper to buy locally.

The WITNESS: Here he would be paying a compliment to local pride and talking in the community to his own people.

Suppose now that the policies of the Canadian Broadcasting Corporation were required to be such that the best commercial and sustaining programs were routed over the high-powered publicly owned station and that regulations and restrictions imposed by the C.B.C. had to be such that the privately owned community station was unable to provide sufficient good entertainment and information to hold a high proportion of the listening audience of its community tuned to the station. The result would be that the member would not get the number of his constituents listening to him that he would if the station was free of such restrictions and enabled to better serve the people of its community.

Of course, this is an exaggerated example but it serves to illustrate the importance of the privately owned station in the life of its community.

The privately owned non-network stations are dependent entirely for their operating costs upon revenue secured locally and by national sponsors using transcribed programs. Even the 26 privately owned basic network stations and the 11 privately owned supplementary network stations are largely dependent upon these sources for their revenue. On page 38 of the minutes of proceedings of this committee, Mr. Rene Morin, chairman of the board of governors, states that:—

Twenty-six of these private stations spread throughout the country are affiliated stations which regularly broadcast the main sustaining and commercial programs of the C.B.C. It is readily admitted that few of these stations could survive or give satisfactory service without their connection with the national system.

While the connection with the C.B.C. network is undoubtedly appreciated by these stations, it is well to consider the facts. Appendix E, Page 329 of the minutes and proceedings of the 1942 parliamentary committee, shows that from March, 1940, to March, 1941, the 26 basic and 11 supplementary stations were

paid a total of \$599,947.87 of the money paid to the C.B.C. by advertisers for the purchase of the facilities of these stations. While some of these stations naturally secured a larger proportion than others of this commercial revenue, a breakdown shows an average per station per day of \$44.42. Although I do not have the operating costs of these stations, I do know that the commercial revenue from the C.B.C. does not begin to cover the salaries of the employees of the average station.

It has been stated that privately owned stations have a selfish interest to serve, namely the making of profit. They do have to make a profit, or get someone to put up the money to cover the loss, or go out of business. None of the two dollar and a half licence fee is paid to them. So they have nothing to fall back upon except their revenue from advertising. At the same time, they hold a franchise from the people of Canada and have a responsibility to the public interest.

How well are they discharging this obligation? Starting with January 1st, 1941, the Canadian Association of Broadcasters secured reports each month for twelve months ending December 31st, 1941, from all privately owned stations of the commercial value of time given free for government, patriotic and charitable promotions and drives. Sixty-nine of these stations reported a total of \$1,007,830.28. This figure does not include free time given by the twenty-six basic stations for national network time supplied free by the C.B.C.

In the recent Red Cross campaign, member stations of the Canadian Association of Broadcasters gave a total of \$21,909.98 of free time to local and national programs.

The "Army Week" salute is too close to have secured from our member stations the amount of time and effort that went into making this tribute to the Army a success in their respective communities. It is known, however, that for the week previous and during "Army Week" frequent broadcasts were made by these stations to their listeners all free of charge.

It should perhaps also be mentioned that it is the privately owned stations in the main which are being used by the Royal Canadian Mounted Police and local authorities to locate missing persons or persons who cannot otherwise be located. All this service to the public is given without any charge.

We now come to the question of how far the privately owned stations are fulfilling the functions of developing talent and originating programs to meet their responsibility to the people in their communities.

When we think of talent development, we must always remember that the primary responsibility of the privately owned station is to provide the best possible entertainment and the most interesting information available and satisfactory to the largest possible number of people in their communities. The development of talent can only be a means to this primary requirement. Good broadcasting talent is not easy to find even in large metropolitan centres and much less so in the smaller centres. When discovered, good broadcasting talent is not easy to train. This difficulty does not mean that the privately owned stations can do nothing about it. In their own interests, they must always be scouting for possible talent. They must audition all likely talent in the hope of securing one or two possibles.

In order to secure information from our member stations on their local activities in relation to talent, the Canadian Association of Broadcasters, early in 1942, sent out a questionnaire to them asking for a report on the number of auditions given during 1941; the number of programs broadcast for universities, schools, and educational groups; the number of speakers broadcast; the number of musical clubs and similar talent organizations broadcast by the stations; and the number of announcers who had joined the armed forces.

The questionnaire also asked how many, since 1937, of the talent originating on the stations had gone to the C.B.C. or to the United States; how many announcers to the C.B.C. and how many engineers to the C.B.C.

To date, 39 of our member stations representative of all the provinces of Canada have reported.

They report: auditions given to 2,422 vocalists, 198 orchestras, 975 instrumentalists, 2,517 announcers, 142 newcasters, 120 sports commentators, and 806 dramatic talent.

These same 39 stations report having broadcast during the year 1941, 1,246 programs for universities, schools, etc.; 5,060 speakers as having given addresses, many, of course, in connection with the various war finance and Red Cross drives, etc. 126 musical clubs were broadcast and 106 announcers joined the armed forces.

From 1937 to December 31, 1941, talent originated by these 39 stations to the number of 63 went to the C.B.C. and 4 to the U.S. 38 announcers left these stations to join the C.B.C. and 26 engineers joined the C.B.C.

On the subject of the extent to which privately owned stations originate and develop programs, Mr. Murray, general manager of the Canadian Broadcasting Corporation, made some comment on page 563 of the minutes and proceedings of this committee. The comment expressed some disappointment that more feature programs suitable for the regional or national C.B.C. networks were not developed by the privately owned stations. I take it, that Mr. Murray was referring to the privately owned stations on the network. Non-network stations would hardly be eligible.

Quite apart from the difficulty of securing regularly new talent of network calibre, which handicaps many of the privately owned stations, I have been told of a practice adopted by the C.B.C. which perhaps has had a tendency to slow down the enthusiasm of the privately owned stations. I refer to the practice of, when broadcasting an origination of a privately owned station, to avoid mentioning the call letters of the station and to describe the studios of the station from which the program is being broadcast as C.B.C. studios.

I suppose that ought not to have any effect but it is only human when one has worked hard to develop a good program to have a lot of pride in the station and the fact that the program has been considered good enough to go on the national network. Naturally, there is some disappointment when no credit is given to the station originating the program. In fairness to the C.B.C., I have personally recently listened to two programs in which the call letters of the privately owned station were given and due credit given for the program. I think this is the better plan and will, small as it may seem, stimulate further interest on the part of the privately owned stations. This is the standard practice of all networks in the United States of giving credit to the originating station.

By Mr. Coldwell:

Q. I wonder how much more Mr. Bannerman has?—A. I am just about half-way through.

The CHAIRMAN: We will adjourn until 10.30 a.m. to-morrow morning.

The committee adjourned at 6 o'clock p.m. to meet again at 10.30 o'clock a.m. Friday, July 10, 1942.

MINUTES OF EVIDENCE

HOUSE OF COMMONS, ROOM 429, July 10, 1942.

The Special Committee on Radio Broadcasting met this date at 10.30 a.m. The Chairman, Dr. James J. McCann, presided.

The CHAIRMAN: Order, please. Mrs. Casselman and gentlemen; we have a quorum and we will proceed with the business of the meeting. I would say that the correspondence with reference to Mr. Pickering's resignation is now tabled and is open for the review of any of the members of the committee. We shall continue with the brief or statement of Mr. Bannerman who was on the witness stand when we adjourned last evening.

GLENN BANNERMAN, recalled.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen; you will recall that when we adjourned last night I was discussing Mr. Gladstone Murray's comments with reference to the development and creation of programs by the private stations. I will continue, if I may, from that point.

By Mr. Ross:

Q. What page was that on?—A. Page 15 of my own script.

Mr. SEDGWICK: Page 563.

The WITNESS: After observing Mr. Murray's comments and subsequent questions, I asked our member stations to provide me with a list of the programs originated locally on their stations. I have a number of these reports here. I have frankly selected a few from stations with which one or more members of the committee may be familiar. If there are other stations you wish to have reported on and I have the reports, I will be pleased to read them to you. To date, 33 stations have reported. I propose to read only two or three from the group and to file the balance with the committee. Before reading these I would like to call to the attention of the committee these reports from our private stations, which are naturally written from their point of view as a community station, and they have expressed their views quite frankly. They may not be truly representative of an all-over picture but they represent their point of view and the situation in their own area.

The first one I would like to read is from CJOR of Vancouver, owned by Mr. George Chandler, and the report is supplied by Mr. Don Laws, his assistant manager.

Dear GLEN,—Please excuse the delay. George is peeling spuds in reserve camp up at Vernon at present and what with being further short staffed we have been unable to complete this report. However we trust that what follows will be of some use.

We naturally take issue with Mr. Murray on his statement that he would like to see us get a little more actively into the creative field "not on our behalf but on behalf of their own communities". In this area CJOR does more community work than all the other stations put together not excepting CBR, the C.B.C. outlet.

Amongst public service broadcasts heard regularly over this station, and for which CJOR donates free time, are—

(a) Weekly Parent-Teacher broadcasts.

(b) Weekly Greater Vancouver Health League talks given by prominent doctors and specialists.

- (c) Weekly B.C. Church of the Air broadcasts taken in rotation by churches of different denominations.
- (d) Weekly provincial recreational broadcasts, giving news and details of Pro-Rec. activities.
- (e) Weekly broadcasts devoted to the work and objects of Local Council of Women, time given on Sue's Notebook program and featuring interviews with prominent civic and national personalities such as members of the Wartime Prices Board, the mayor and Parks Board Commissioners, Nellie McClung, etc.

Public Service.

From time to time we carry such public service broadcasts as the Annual Musical Festival. This is under the auspices of the Knights of Pythias and does much to promote young talent in this area. Approximately one hour each night during the festival is carried by this station free of charge. We pay all line charges and commentator's fees. We believe this does much to bring promising talent before many thousands of people who are unable to attend the festivals in person.

On one of the recent Days of Prayer this station carried a broadcast of the drum head military service from Stanley Park. This service was attended by many thousands but the broadcast was heard by ten times that number through the medium of CJOR, no other station attempting to carry this.

CJOR is the only station in this area that carries sports broadcasts as a public service. During the course of a year we carry baseball, lacrosse, hockey, fights, wrestling, horse-racing, tennis, golf, etc. Most of these are carried on sustaining basis, all costs being borne by the station. (The C.B.C. makes very little attempt to cater to the promotion of sports activities in the community).

Such special events as the opening of wing of St. Paul's hospital, the new Y.M.C.A., and the opening of public buildings and bridges, are carried almost exclusively by CJOR. Any that we do not carry are carried by other *independent* stations.

Various broadcasts in connection with Air Cadet League of Canada, Red Cross activities, S.P.C.A., Aid to Russia committee, etc. etc. Many of these entail the installation of special telephone lines, cost of which is borne by CJOR.

In a recent drive to raise funds to purchase trainer planes for use in the Empire Training Scheme, in this area radio was assigned an objective of \$8,000. All radio stations co-operated and at the end of the campaign it was found that Vancouver radio had turned in a total of \$22,000 odd, in money received from listeners. Of this amount, CJOR turned in over \$20,000! This may sound unbelievable but proof is on file. Incidentally, the planes purchased with this money are still in use.

Around Christmas time the CJOR. Nickel Club provides many thousands of dollars which is turned over to the Vancouver Council of Social Agencies for the purchase of Christmas cheer for deserving families. This program has been broadcast over this station for the past four years and is recognized as a community effort by everyone in this area.

Dramatic Productions.

Following are some of the outstanding dramatic productions originated by writers employed by this station and broadcast over CJOR. Many of these programs called for large casts, costs of which were borne by the station:—

- (a) They Are Not Alone. Propaganda show. Dramatization of commando raids, bringing out heroism by various members of the armed forces. Sustaining.
- (b) Standing Room Only. Sustaining dramatization of famous books such as *The Black Tulip*, *Huckleberry Finn*, *Peter Ibbetsen*, *Alice in Wonderland*, etc. One-hour broadcasts.
- (c) Names That Will Live Forever. Dramatization of lives of famous musicians, poets and composers, e.g., Gilbert and Sullivan, Puccini, Tschaikowsky, etc. Sustaining.
- (d) Salute to Industry. Dramatized history of some of the big industries and old-time commercial firms of B.C. Sustaining.

Musical Productions.

Hawaiian Hospitality. Live talent. Six piece Hawaiian group featuring readings and Hawaiian music. This has been broadcast twice weekly over this station for five years. Since its inception this program has been copied by many other stations including the C.B.C. (CBR) who use most of the talent on this program.

Whose Voice, Whose Music? Transcriptions of famous artists and orchestras are played. Audience has to identify the artists. Prizes are awarded to correct answers. Sponsored.

Quiz Programs.

Dollars for Scholars. Teams from various high schools compete on this program. Each team is in a separate studio and each team is asked the same questions. Winners receive prizes in War Savings Stamps. This program has the support of the Vancouver school board and has since spread to stations throughout the three prairie provinces. Originated and copyrighted by CJOR. Sponsored.

Puzzle Busters. A question-and-answer program interspersed with music. No prizes are given. Questions are asked of the listening audience, and answers given later in the program. Listeners keep their own score. Main object is to let the listener see how well read he is (similar to magazine quizzes). Sustaining.

Women's Programs.

Sue's Notebook. Woman commentator on current events, and interviewer of prominent women visitors to the city. Also, a graduate dietitian who can speak with authority on household matters. CJOR has consistently recognized the need of a woman's program that would appeal to the intelligentsia and for five years has built up this program to the point where it now has an audience greater than any other heard on any other station at that time, and to where "Sue" is a leading radio personality of western Canada. We know of no single feminine personality so recognized on the C.B.C. Sponsored.

Summarizing.

It is interesting to note that this independent station has launched on a successful career such famous names as Gerry Wilmot, now with the C.B.C. overseas unit and also heard on the B.B.C.; Jack Peach, now with C.B.C. overseas unit; Don Forbes, lately KNX chief announcer, and more recently Richfield News Reporter for the west coast.

On CBR's staff we find such old CJOR members as producer David S. Catton, announcer Geoff Davis, engineer Jim Gilmore, engineer Dick Prezence, engineer Oscar Smith, announcer John Drainie, etc. In fact,

most of the C.B.C.'s personnel in this area seems to be drawn from the independent stations. In other words, they do not dig them up themselves—they acquire them from other stations.

I think we are safe in stating that more talent is discovered in this area by independent stations than by CBR. Such names as Margaret Henry, vocalist; Judy Richards, vocalist with Mart Kenny; Art Hallman, pianist for Mart Kenny; Charles Hovey sings on the C.B.C. network; Dick Diespecker, writer and producer—now radio liaison officer for the army in Canada—and many others. (Dick since getting into radio via CJOR has done much writing for the C.B.C.).

The above names and programs are just some of the instances that come to mind under the press of speed and trust they will be sufficient to assist you on your crusade. It is about time that the independent stations received credit for some of the community efforts they put forth.

When it is borne in mind that independent stations operate under the handicap of having no network affiliation we think the above is a fair story.

That is a purely independent station in quite a large centre such as Vancouver.

By Mr. Claxton:

Q. What is the word he used, assist you in your crusade?—A. Yes. That must be a colloquialism.

Q. What is your crusade?—A. I don't know.

By Mr. Coldwell:

Q. I wonder if any other independent stations have had an opportunity to perform any service for the C.B.C.?—A. When I have dealt with one or two of these I will leave the file with you.

By the Chairman:

Q. Your point is that independent stations have made an attempt to develop talent?—A. Yes.

Q. That can be used for regional or by the national network; I presume you have several reports along that line?—A. That is right.

Q. I think the committee can take it for granted having heard the report from Vancouver that the others are along that line, and that your point is in the same direction, and that we might probably dispense with any further reports of local stations and let you proceed with your general brief.—A. I would like, if I might, to take a contrast of a very small station.

Q. Well, just one case; we cannot take up the time of the committee entirely with something that might be tabled.—A. Then we will table the others.

Mr. COLDWELL: It is pretty good advertising for the local radio stations.

The CHAIRMAN: Exactly.

Mr. COLDWELL: We are not here for the purpose of advertising private stations.

The WITNESS: The only reason I ask to read this one, it is a station still in B.C., but it is at Chilliwack which is a small, very attractive town in British Columbia.

By the Chairman:

Q. Jump to another part of the country.—A. If you would like I will move over to Moose Jaw.

Q. Could you go into either Ontario or Quebec?

Mr. ISNOR: Or the Maritimes.

The WITNESS: If you like I can take Kirkland Lake.

By the Chairman:

Q. Let us have Kirkland Lake.—A. All right. This is a report from Kirkland Lake, CJKL.

Q. Who owns that station?—A. That is owned by the Northern Broadcasting Company.

Q. How many stations do they own and operate?—A. I am not certain that I can answer that directly. There are four stations I know of operated by them that are members of our association.

By Mr. Claxton:

Q. Is that the Thompson connection?—A. Yes, I believe Mr. Thompson is the president.

By the Chairman:

Q. Thompson in all is connected with eight stations?—A. He has not eight stations in our membership.

Q. But to your knowledge— —A. From reading the evidence I understand he has because it has been reported.

Q. All right, proceed.—A.

As an introduction to this brief I would like to outline a few facts about this station, and its position concerning securing local amateur and professional music or dramatic talent. First let me state that it has always been our policy to encourage physical programs, whether they are commercial or sustaining. At all times it has been made well known to the general public in Kirkland Lake and district that the studios of CJKL are always ready to welcome and give them an opportunity to broadcast whatever talent they may have.

However, it should be taken into consideration that this is a mining community, whose population consists of practically all miners and their families. Working conditions necessitate that they must alternate their day and night work. For this reason it has been very difficult to promote musical or dramatic groups. However, the ones with the larger memberships have been able to overcome this to a certain extent, and they know that the studios of CJKL are always available to them to produce, rehearse, and broadcast their shows.

The programs I am submitting to you are, or have been, our outstanding efforts in this direction.

1. Amateur Show—sustaining

This half hour presentation was organized, coached, and directed by this station for a period of some three years, that is, from 1936-1939. During these three years, we auditioned some three or four thousand aspiring amateurs who desired the opportunity of stage or radio experience. They received excellent coaching under the direction of our former station manager, Brian Shellon, who was outstanding in this work. It is impossible to state how many have continued but we do know that a substantial number have made good in a commercial manner, that is in night clubs and hotels in northwestern Quebec and Montreal.

2. Drama Hour—sustaining

This was a series of one-hour weekly broadcasts, under the direction of our senior announcer, who has had considerable theatrical experience. He formed a local unit which wrote, produced, and broadcast weekly one-hour dramatic presentations. They commenced at the beginning of

1942 and were broadcast for three months. However, owing to so many leaving Kirkland Lake after the strike, or joining the armed forces, it was impossible to continue, although we intend to resume them at the earliest opportunity.

3. *Northern Ramblers—sustaining*

For a period of over four years this station donated one-half hour weekly to a barn dance orchestra known as the "Northern Ramblers." They were very popular, showed considerable talent, undoubtedly had commercial possibilities, but owing to war were broken up.

4. *St. Jean de Baptiste—sustaining*

Even before 1940 this station has made possible its facilities for a half-hour weekly broadcast for this organization. They present a dramatic and musical program every Sunday at 1 p.m., and it is doubly appreciated by our French Canadian listeners and especially those in outside areas that this station covers.

5. *Olive and Harold—sustaining*

A weekly quarter hour, girl vocalist and boy pianist team, commenced broadcasting last October, have taken a three months leave, commencing June 1. A very promising team.

6. *Wright Hargreaves Band and Town Band—sustaining*

This community is fortunate in having two fine local bands. While they do not regularly broadcast over this station, we donate time whenever requested, and have even offered them regular times. But on account of shift work, it is impossible for them to make regular weekly broadcasts. During any one year they will probably use from eight to twelve hours broadcasting time.

7. *Suppertime Club—Sustaining*

Four-piece musical ensemble, trumpet, piano, bass violin, and violin. Used one-quarter hour weekly, commenced in November, and broadcast till June 1. Will resume in fall.

8. *Churches—Sustaining*

Both our Sunday morning local remote church services regularly feature their choir and vocalists, and whenever they request it, such as at Christmas and Easter, we make arrangements to allow them to broadcast from our studios. This has always been our policy.

9. *Jimmy Dixon and Jack Reid—Sustaining*

Two local pianists who have been regularly featured over this station during the past seven years. They enjoy a tremendous following in this area, and we are proud and happy to let them broadcast regularly.

Numerous other single or few time presentations were broadcast by local artists. These are always politely and encouragingly auditioned. When at all possible we put them on the air, or if they are not ready for broadcasting, we advise the necessary training steps they should take, and inform them that we will be pleased to allow them future opportunities at any time.

Trusting that this information will be of assistance in your compiling a cross-section of privately owned stations along these lines, I remain,

Yours very truly,

(Sgd.) ALLAN ROGERSON,
Manager.

By the Chairman:

Q. Can you tell us, Mr. Bannerman, what percentage of time the Kirkland Lake station takes up in commercial advertising? My experience personally is this: I was in Kirkland Lake and I would say that it was a nuisance. There was a broadcast going on from a plane over the town the whole day and it was mostly the bargains that you could get at Rubenstein's or Silverberg's or Diamond's store or concerns like that. The people were absolutely sick of it.

Mr. COLDWELL: That is not unusual in these private stations.

The CHAIRMAN: They become more or less a nuisance in a community. Why the communities themselves, if they have the power, do not bar it, I do not know.

The WITNESS: Mr. Chairman, I cannot understand how a broadcasting station would be broadcasting from a plane. I do know there have been several commercial companies who have planes and who take a recording set in the plane and broadcast by radio while flying over the town, but it has no connection with the broadcasting system.

By the Chairman:

Q. I was told it was from the broadcasting station, but to my knowledge I do not know.—A. I do not see how they could do it, sir.

By Mr. Coldwell:

Q. I wonder if Mr. Bannerman could tell us what the revenue is from this particular station?—A. I could not tell you.

Q. Will you be able to give us, in the course of your evidence, the gross receipts of these private stations from advertising, the stations which you represent here—A. Mr. Coldwell, you can appreciate my position as president and general manager of an association which is not a complete unit like a corporation. It has a voluntary membership. I do not have access to the detailed figures of revenue and the figures of profit and loss.

Q. As president and general manager of the organization surely you would know what the gross receipts and profits are of the various stations of which you are the president and general manager.—A. I am the president and general manager of the Canadian Association of Broadcasters, not of the individual stations; I do not have that information.

By the Chairman:

Q. They do not have to make any return?—A. They do not have to make any return to us. I may be able to help you in the committee to some extent in that I asked the stations some time ago, looking forward to that problem which was mentioned here the other day by Dr. Frigon, of the possible falling off of advertising revenue, as to what would be their present revenue and the revenue that would leave them in the red, what was the minimum shrinkage they could stand in advertising revenue. From the information I have, I think the average across Canada of about 15 per cent of shrinkage of revenue from national advertising of the different stations would put them on the average in the red. You understand, there are some stations it would not, and others very much less than that would.

Q. That is just a statement unsupported by figures?—A. Yes; I have no figures; there are no figures available.

The CHAIRMAN: After all, that is private business.

Mr. COLDWELL: I know, but the fact is they are using the public facilities, the air.

The CHAIRMAN: It is a part of our duty to say whether or not we should allow them to continue to use those facilities, but the amount of money any private organization makes is not our concern at all.

Mr. BERTRAND: Private corporations are using the roads and sidewalks.

Mr. COLDWELL: They pay substantial licences and taxes.

The CHAIRMAN: These people pay licences, whether substantial or not.

By Mr. Isnor:

Q. Your association is in the same position as the weekly newspaper association?—A. Quite right.

Q. What is the object of your organization?—A. The object is that which is in the preamble of our charter.

By Mr. Bertrand:

Q. To make more money?—A. No, it is not; that is only a very small proportion of the thing. That is important, because you have to make money to stay in business. Our object was to improve broadcasting in this country.

By Mr. Isnor:

Q. From a private station standpoint?—A. From a private station standpoint.

By Mr. Bertrand:

Q. I am in favour of the private stations and I should not like to see the C.B.C. the only corporation in the field, because it would be a monopoly whether in the name of the government or not. The only thing I should like to see from the private stations is better educational programs. You have to raise your programs. I have heard the programs from the private stations and sometimes they are very good programs but occasionally they are apt to go down. You seem to be looking after what the public wants instead of educating them a little and raising the programs.

Mr. ISNOR: Has Mr. Bannerman concluded his brief?

Mr. COLDWELL: I think the local community stations can do a service and I am not saying anything else; but I do think we have to look into the matter from the standpoint that this is an organization which I feel may be is designed to displace the C.B.C.

Mr. ISNOR: From a business standpoint I do not think that is quite true.

Mr. COLDWELL: If they get the revenue that the C.B.C. should get then it comes, I think, under our review.

Mr. ISNOR: I cannot agree that private stations are for the purpose of taking the place of the C.B.C.

Mr. COLDWELL: You have now several very strong organizations that are getting monopolies. The chairman himself mentioned one. I think it is a very dangerous thing.

The WITNESS: That is a matter for the committee and the C.B.C. to control.

The CHAIRMAN: Mr. Bannerman tabled these communications from the private stations.

Mr. ISNOR: I wonder if Mr. Bannerman is tabling the letter sent to the private stations. I was rather impressed with the word Mr. Claxton used, "crusade." Was that because of the type of letter you sent to the stations that they took it you were on a crusade?

The WITNESS: Mr. Chairman, I quoted excerpts from the evidence of Mr. Gladstone Murray's statement, and I said that in view of his statement I should

like to have from them information covering the year 1940-1941 of any programs which they had originated locally, sponsored and sustaining and purely sustaining. That was all that was in the letter. I should be very glad to send it to the committee, but I do not happen to have it with me.

By Mr. Coldwell:

Q. I was going to ask you this question arising out of what you have read, but I have not had an opportunity until now. Do you think that keeping on the air a couple of pianists for seven years is developing local talent? You said that one station had one pair of pianists on the air for seven years. Do you think that is giving the people a change of program and developing local talent?—A. Mr. Chairman, that is one of the very difficult things in those small centres. You do not have, and I note from the evidence given by Mr. Bushnell of the C.B.C., that it is very difficult to find new talent which is coming along quickly and which can be broadcast.

Q. Does not that destroy the whole argument that you made a few moments ago?—A. No. It is not for me to say it does or it does not. I remarked in the opening paragraph dealing with it that we must, as stations having a responsibility to the public, to our listening audience, first of all think of the listening audience in terms of entertainment and information which is most satisfactory to the majority of them, and the talent is only a means to that end. For example, if listening audiences get tired and do not like that particular piano team, the listening audience, the listening radio audience comes down. You begin to lose your audience. When you begin to lose your audience your station is not nearly as attractive to the potential advertiser, because all that you can provide him with is an audience to whom he can tell his message.

By the Chairman:

Q. How do the private stations make an appraisal of their listening audience?—A. That is done at the present time in Canada by an organization known as the Elliott-Haynes Survey, a continuous radio program survey.

By Mr. Bertrand:

Q. That organization is also working for the C.B.C.?—A. Yes; they serve the entire group. They do it by the method of telephone. It is not absolutely exact, but gives a general yardstick. It is the best we have at the present time. We are still trying to improve it and find better methods.

By Mr. Coldwell:

Q. Advertisers are not always interested in raising the standard of their programs. If you listen to them continuously you will find, I think, it is often the reverse. For instance, this business of selling Cue on the air on a gambling basis; that is all it is. The questions are so simple and the word so easy to put together that obviously the whole thing is simply a device for getting around the law regarding raffles and lotteries.

The CHAIRMAN: It is childish. They ask such questions as "Name the hidden city."

Mr. COLDWELL: It is ridiculous.

The CHAIRMAN: It is absolutely childish.

Mr. BERTRAND: I think the Criminal Code should be amended to cover that.

Mr. COLDWELL: To stop that sort of radio advertising.

The WITNESS: May I proceed?

By Mr. Hansell:

Q. Before you proceed, Mr. Bannerman, may I take up the matter of monopolies that has been mentioned? I am very interested in that and we might as well bring it up to-day. While we are on the question of private ownership I recognize there can be private monopoly and I think that is what we want to guard against in Canada. You have already given us the number of members in your organization.—A. Yes.

Q. How many?—A. Sixty-one.

Q. How many stations are there in Canada privately owned?—A. Seventy-four.

Q. I suppose you have read the evidence that appears on page 693. There we have a list of stations that are owned and associated with newspapers. Then, you find on page 695 that the Taylor, Pearson and Carson groups control eight stations. Now, I am taking one of these stations, CKCK of Regina, which is owned by the *Leader-Post*. Is the *Leader-Post* a member of your organization?—A. CKCK, the company which owns that, is—

Q. The *Leader-Post*?—A. The *Leader-Post*. They have two companies as I understand it. I have not got in front of me the formal application, but they have a company which is called the Western Broadcasting Corporation, I think; I may be entirely incorrect in that, but they have a separate name. While it is owned by the *Leader-Post*, it is treated as a separate company, I think, for the purpose of the broadcasting station.

Q. That company is a member of your association?—A. It is a member, yes.

Q. Now, I notice that the Taylor, Pearson and Carson Company operate that station. Is the Taylor, Pearson and Carson Company a member of your organization?—A. No; they are not. The Taylor, Pearson Company are not members. Under our by-laws and regulations the actual station, the licensee who holds the licence for the station and as far as we know owns that station, has the right, of course, to name his representative as a person to our membership at our annual meeting.

Q. I understand from that while the stations themselves or the owners of the stations are members of your organization there are broadcasting companies who do not own licences who are not members.—A. They must own a licence to be a member; they must have a definite licence to be a member of our association.

Q. Now, there is one other question I should like to ask but perhaps I should not ask it of you because it is an observation, but I should like your opinion on it. It does seem to me that a person who owns or a company who owns a licence should be the operator of that station and that is evidently not so. Have you any comment to make in that respect?—A. Well, Mr. Chairman, I am a servant of 61 employees, some of which own one or two stations.

Mr. COLDWELL: You mean 61 employers?

The WITNESS: Employers; thank you very much. One or more of those employers may own one or more stations and I hardly think it would be fair for me to make an observation on that particular question. In other words, I have the task of representing the general interests of all those stations and it seems to me, after all, that is a matter for the licensing body. I do not think we are qualified or I am qualified to say who should or who should not own or operate a radio station.

By Mr. Claxton:

Q. Would you care to make an observation on the advisability of having eight stations owned by the Taylor, Pearson and Carson group and eight stations owned and controlled by the Thomson interest, and 26 owned by newspapers out of a total of 74 in Canada?—A. What was your question again?

Q. Would you care to make an observation on the advisability of the concentration of ownership?—A. No; again I said I do not feel qualified to say who should or who should not own or operate a radio station. That is not the function of our association. I should like to correct one point; that while there are 26 stations owned by newspapers they are not all owned by the same newspaper, however.

Q. No.

By Mr. Coldwell:

Q. The eight stations owned by the Pearson-Carson Company are all members of your association, and the Thomson group, they are not all—A. No, they are not all members.

Q. Are the other people as well?—A. Stations which are represented in some cases, operated in others, and owned in others by the Taylor, Pearson, Carson people are members of our association; that is, the licensee, the original licensee is the person who has made application for membership and been accepted.

Q. Did they stipulate that when they took over the operation of the station?—A. Stipulate which?

Q. That the licensee should become a member of the association?—A. I would not know that because in each case we have gone to the licensee and asked them if they wished to become members.

By Mr. Hansell:

Q. I do not quite see the object in a licensee who does not operate a station becoming a member of your organization.—A. That is the only way a station can be identified with our association.

Q. How could you help the licensee if he does not operate a station; I do not see that?—A. He is the man who is responsible in our eyes to the government for the operation of the station. Whom he may hire, the manager he may hire or the company he may hire to run the station is not a concern of ours.

By the Chairman:

Q. It is not the individual, it is the licence that counts?—A. That is why we demand the application must be from the licensee.

Q. Do these people who have a membership in your organization have to pay a membership fee?—A. Oh, yes.

Q. Is it a fair question to ask you is it the same for all stations?—A. Well, I want to be helpful to the committee although I do not know whether it is quite fair to reveal publicly the internal operations of the Canadian Association of Broadcasters. As far as the financial operations are concerned I will say this—

Q. Your organization has to be maintained financially in some manner?—A. Yes.

Q. We recognize that.—A. I will say this, without mentioning the fees, as far as the fees are concerned they are prefaced on some similar basis to the provision of the licence fee which is paid; in other words, on the area of coverage.

Q. That is exactly the point I am coming to.—A. On their card—

Q. Are they greater or less than the licence fee which they pay to the C.B.C. for purposes of operating?

Mr. CLAXTON: To the Department of Transport.

The CHAIRMAN: Exactly.

The WITNESS: Well, I would say that they are slightly greater. Let me put it this way. I do not want to quote a figure for very obvious reasons.

Mr. COLDWELL: I think since you are making a comparison that it is fair to ask you to submit the fees that are paid to your organization so we can see whether our licence—

The CHAIRMAN: I do not just agree with you, Mr. Coldwell. After all we have to respect the privacy of a business organization. The matter of a fee which they pay to the Department of Transport for an operating licence is public business; this other is private business, and I do not think it should be asked for. That is only my private opinion. I do not think the committee should require that this association give us the details of their private business. Now to substantiate that you will recall that on a great many occasions requests have been made with reference to income of private individuals and private organizations and the government takes the stand, with which I agree, that that is private business and should not be divulged to the public. I submit this is a somewhat parallel case and as far as I am concerned I do not think that Mr. Bannerman should be required to produce that information.

Mr. COLDWELL: Mr. Chairman, let me say this, that the Income Tax Branch demands that every taxpayer shall place a statement before the Department of National Revenue; would we not be right then in asking this organization or any other organization to place a statement of its fees and receipts and so on before the Department of Transport, the licensing body?

The CHAIRMAN: No, I do not think so. I presume this organization makes an income tax return the same as any other corporation.

Mr. COLDWELL: May I point this out: this organization is using public property, the air, and it seems to me that we have the right to know just what is being done by organizations that are using any public property such as the air.

The CHAIRMAN: The transportation companies are using roadways which are public property; the Bell Telephone Company are using the air.

Mr. COLDWELL: They string their wires across the country.

Mr. BERTRAND: The E. B. Eddy Company are using the air here.

Mr. CLAXTON: The Bell Telephone Company had to justify its rates before the Board of Transport Commissioners.

The CHAIRMAN: If the Board of Transport Commissioners feel that that information should be in their hands then they would have the power to demand it. Up to date they have not seen fit to ask for it and I submit that the committee should not take greater latitude than the department.

Mr. COLDWELL: If that is your ruling I shall be content with the statement that the fees paid by this organization are greater than the licence fee.

The CHAIRMAN: In the main.

By Mr. Ross:

Q. Do you publish a statement?—A. No, we publish no statement. I should like to make one thing clear and that is that the Canadian Association of Broadcasters does not own or operate a broadcasting station; it is a trade association of licencees.

Mr. BERTRAND: Like the Canadian Manufacturers Association and so on.

By Mr. Claxton:

Q. Your purpose is to try to further the interests of the member bodies that compose your association?—A. The association is a non-profit organization; the fees fluctuate, depending on the general situation.

The CHAIRMAN: Continue with your brief.

The WITNESS: Earlier in this statement, I said that the privately-owned stations were dependent for their operating costs upon advertising revenue produced locally or by way of national advertisers using transcribed programs.

I think I should tell the committee that recently the companies who produce these transcribed programs have told us that Mr. James C. Petrillo, President of the American Federation of Musicians, has issued an ultimatum that after August 1 no union musician will be allowed to play for or contract for the performing in the making of any transcriptions or mechanical reproductions of sound. Naturally, this is something that will be settled largely in the United States but it also affects musicians in Canada. If Mr. Petrillo succeeds in making his ultimatum stick, the privately-owned stations in Canada are going to lose a lot of advertising revenue and find their service to the public crippled in comparison with to-day. I do not know whether this action will affect the C.B.C. directly or indirectly, but it is merely another problem in the effort of the privately-owned stations to carry out their responsibility to the people in their communities.

Whatever criticisms the Canadian Association of Broadcasters may have of C.B.C. policies and their detrimental effect upon the operations of the privately-owned stations, this must not be construed as criticism of the personnel. The Canadian Association of Broadcasters has always been received by the Board of Governors with the greatest of courtesy and attentiveness. Likewise, meetings with the general manager, the assistant general manager, and other members of the personnel have been marked by courtesy and consideration, even though the points of view could not always be harmonized.

The Canadian Association of Broadcasters recognizes and pays tribute to the Canadian Broadcasting Corporation for a greatly improved broadcasting service to the people of Canada since the year 1936. The privately-owned stations proudly lay claim to some considerable part in this general improvement.

It was interesting to the members of the Canadian Association of Broadcasters to read on page 34 of the minutes of the proceedings and evidence for Thursday, May 14, 1942, the following from a statement by the Honourable Mr. Thorson:—

This country has seen a battle between public ownership of radio and private interests that are concerned with radio. Are we going to give the private interests an advantage over the publicly-owned corporation by exposing to the private stations the deliberations of the publicly-owned corporation? Do you think for a moment the privately-owned stations would expose their minutes to the view of the Canadian Broadcasting Corporation? Then why put our corporation in the disadvantageous position, vis-a-vis its competitor:

The CHAIRMAN: I may interject here that the observation was made by Mr. Thorson when the matter of producing minutes of the corporation was discussed.

The WITNESS: Yes. I continue with my brief.

This is the first occasion so far as can be recalled that the position of the privately-owned stations has been clearly placed by a responsible person as that of a competitor of the Canadian Broadcasting Corporation. Under these circumstances the Broadcasting Act of 1936 places the competitor (the C.B.C.) in the position of making the rules and regulating its competition. This situation must be as embarrassing to the C.B.C. as it is a sore point to the privately-owned stations and commercial sponsors. No matter how necessary or worth while a regulation may be, under this present condition, if it reduces the commercial revenue of the privately-owned stations, there is a tendency to wonder if may be the regulation has been made so that more commercial revenue will flow to the C.B.C. This situation is comparable to the condition that would exist if the Board of Directors of the Canadian National Railway made the rules and regulated the provisions under which the Canadian Pacific Railway must operate.

Without presuming to make suggestions, the Canadian Association of Broadcasters submits that this factor in the Act is worthy of consideration by the parliamentary committee in the interests of a harmonious development of what can be the best broadcasting service available in any country.

By Mr. Coldwell:

Q. May I suggest a question just there? What suggestion have you to make for regulation other than what we have now?—A. Well, it is a thing, Mr. Chairman, that I think would require very careful study. I have my own ideas. In my innocence and lack of complete knowledge of parliamentary procedure and government organization it seems to me it might be possible to place the regulating and disciplining functions over all broadcasting stations, licensed stations, in the hands of a commission such as the Railway Board of Commissioners to whom the individual station could appeal from rulings they make.

Q. They would have to place their minutes and all their business before that commission?—A. They would have to do exactly the same as the C.P.R. and the C.N.R. do right to-day. I do not think there would be any objection to that. That is a fair comparison. I would not like it to be thought, Mr. Chairman, that I did not feel that needed a good deal further study if anyone was thinking in those terms.

Q. What about a parliamentary committee such as this investigating the corporation and the radio business generally? What are your views with regard to that?—A. Mr. Chairman, as far as a parliamentary committee is concerned I may say that is a matter, I think, entirely for the government. It is for parliament. If a parliamentary standing committee on radio broadcasting is established and we are asked to appear before it to give information we should be delighted to come at any time.

Q. You hold no views regarding the advisability of a committee of this sort being established?—A. No, I think it would be out of place for me to express a view on that.

Q. Didn't you write, on behalf of the organization which you represent, to the authorities suggesting that no parliamentary enquiry was necessary into the affairs of radio broadcasting last year or two years ago?—A. No, I think I can say quite frankly I have written to no one. I should say personally as an individual talking to a number of my friends in the House I expressed the view that it was questionable in my own mind as to whether with the war on, as it was at that time, it would be advisable to have a general enquiry like in 1936, but any enquiry naturally into the operation of the corporation's business was a matter for parliament and was none of our concern.

Q. When were those views expressed to members of the House of Commons?—A. They were expressed to them very shortly after I was appointed as president and general manager.

Q. When was that?—A. That was February 15, 1941. It would be some time that spring.

Q. Were those views prompted by the fact that members of the House of Commons—at least some of them—were pressing for an enquiry into this corporation's business?—A. No, I would not say it was. It was a matter at various times of discussion—I am just recalling from memory—and I expressed purely my own personal views. There was no expression or instruction from our board of directors.

Q. Let me ask you another question, Mr. Bannerman. The organization which you represent is an organization of broadcasters apparently doing a good business and collecting good fees. Would that not indicate to members of the House what you are actually doing is lobbying on behalf of the private stations?—A. By no means.

Q. Then why suggest to members of parliament there was no need for the holding of an investigation, the necessity for which has been amply proved by what we have already heard?—A. Let me make this clear, Mr. Chairman; in my own personal capacity as a citizen of Canada I discussed this with these people, and perhaps being new in my position I did not realize there would be

official implications made with respect to it, but so far as parliament holding a standing committee on radio or a special committee on radio to inquire into the affairs of the publicly owned corporation I have always very carefully not expressed any point of view as to whether or not they should because that is none of our business. The discussion was on the basis of whether there should be a general inquiry into radio broadcasting.

Q. It would be very difficult for you to divorce yourself from the position you occupy, and the fact that as president of this organization you approached members of parliament and suggested that no committee was necessary when pressure was being brought to bear on the government to appoint such a committee, would indicate to some of us, at least, that the private organization was very interested in keeping any investigation away, preventing it.—A. I would like to clear up one point, if I may, Mr. Coldwell, and that is that no members were approached with the suggestion that it should not be. It came up as a matter of discussion as I might discuss it with you meeting you in the hall, and I expressed my own personal view.

By Mr. Isnor:

Q. Did you express that in a letter?—A. Just in conversation; there was no letter written. I am quite certain of that.

By Mr. Coldwell:

Q. I think I read what purported to be a letter but I am not sure of that.—A. Some person may have stated that was my point of view but I know there was no letter from the Canadian Association of Broadcasters or any personal letter by myself.

Q. I think it was stated in one publication I read.—A. There might have been an expression of opinion.

Q. I do not care to mention the publication because I am not clear on the point and I have not had a chance of looking into the file.—A. I expressed my own view at that time quite freely. As I say, I was new in the position and perhaps not quite so familiar with the implications that can be made from an ordinary citizen's statement.

MR. ISNOR: Of course, you may not have been wrong at that.

MR. COLDWELL: Apparently it looks like it from the evidence we have had already.

THE WITNESS: May I continue, Mr. Chairman?

THE CHAIRMAN: Yes.

THE WITNESS: A factor in the commercial policy of the C.B.C. which particularly affects our member stations from the province of Quebec is that of the regional discount granted by the C.B.C. There are four English regions and one French on the national network. If an advertiser uses only three of these regions he receives from the C.B.C. a discount of 15 per cent over and above all frequency discounts. If he uses four regions he gets a 20 per cent discount and if he uses all four English and the French region, he gets a 25 per cent discount on his total cost. Now it is understandable that in order to encourage the advertiser to use all the English regions in broadcasting the program he is sponsoring he be given an additional discount. When it comes to Quebec, he must have a special French program built for him. For reasons of his own, he may wish to go over a subsidiary hookup of private stations in Quebec. If he does so, he forfeits a 5 per cent discount on the entire national English network as well as the French. This amounts to practically the entire dollar cost of using the French national network. In other words, he in fact

gets all the stations on the C.B.C. French network free of cost. This situation constitutes a mighty tough competitive condition for the privately owned non-network stations in the province of Quebec.

Another factor in the commercial policy of the C.B.C. which has a direct bearing on the operation and revenue of the privately owned stations is the complete control by the C.B.C. of all the telegraph companies' lines between broadcasting stations. No lines can be purchased by any privately owned station linking it up with another privately owned except by buying such lines from the C.B.C. This virtually gives the Canadian Broadcasting Corporation a complete monopoly over all live talent broadcasts except individual station broadcasts. Whether this is a sound and satisfactory state of affairs is for the parliamentary committee to decide.

By Mr. Coldwell:

Q. Do you not think that only the C.B.C. should have control of the chains?—A. You mean of the land lines?

Q. Of the chains, hookups?—A. Well, perhaps if I might complete the balance—

Q. Why I ask that question, we had a very interesting experience here a short time ago. We had an outstanding jurist from Great Britain, Sir Norman Birkett, and while he was broadcasting over our C.B.C. the private station had a well-known American comedian on the air. Do you think in the interests of the war effort and the public interest that should be permitted?—A. Well, the only thing I can say to that, from our experience on these various surveys not all people will listen at the same time to the same thing. I think you have got to provide in a period of war information, important addresses such as that, and also some relaxation.

Q. Don't you think the relaxation should succeed the address and things of this sort when you have a man of the extraordinary high standing of Sir Norman Birkett speaking over the system and private stations competing with a well-known American comedian?—A. Let me make this statement. In Toronto we have four stations. Are the other stations going to close down while he is speaking or are we going to have all four stations carrying the same program, the same speaker?

Q. I think in a case of that sort, the Prime Minister of Canada, the Prime Minister of Great Britain or an outstanding man such as Sir Norman Birkett admittedly was that courtesy should be extended to him and complete freedom from interference from any American comedian.—A. It is very difficult to arrange.

Mr. Ross: You had Dorothy Thompson carried on one Canadian broadcasting station in Toronto and on the other publicly owned broadcasting station in Toronto you had some other thing carried.

The CHAIRMAN: That would be a policy of making them listen whether they wanted to or not.

Mr. COLDWELL: Not exactly.

The CHAIRMAN: Which is just taking another freedom away.

Mr. COLDWELL: The temptation is pretty strong to listen to this particular comedian, I think.

Mrs. CASSELMAN: It might help parents also. Children want to tune in to the comedian and the parents want to listen to the other.

By Mr. Tripp:

Q. Was this private station carrying a regular program at that time or a special program?—A. They have regular schedules for the whole sixteen hours

a day of broadcasting. Naturally when the Prime Minister or the Honourable Mr. Churchill or President Roosevelt are talking why as many of the stations as possible that can secure the broadcast carry it because whatever those gentlemen say is of vital importance to practically everybody and you will find a very high listening audience.

Q. In this particular case you did not build up a special competing program?—A. I would not know because the individual stations operate their own programs but they would have regular commercial—regular programs.

Mr. COLDWELL: I did not intend to leave the idea that it was being specially put on to compete with this program.

Mr. HANSELL: Who was the comedian?

Mr. COLDWELL: Fred Allen.

The WITNESS: That is a C.B.C. alternative network.

Mr. COLDWELL: I know that. We enjoy it and should have it.

By the Chairman:

Q. Continue, please.—A. Here is how it works. Suppose a potential advertiser has good distribution of his product in Toronto, Ottawa and Montreal but is not established in other centres. Naturally, he cannot be accommodated by stations on the national network. However, he wants to use a live talent program and broadcast it in Toronto, Ottawa and Montreal. His only choice is to take broadcasting stations in Toronto, Ottawa and Montreal that are non-C.B.C. network. To do this, the advertiser, through his advertising agency or these stations, has to furnish the corporation with information as to the sponsor, product advertised, type of program, time of broadcast proposed, together with a request for permission to link up the stations and, if this permission is given, to buy the lines from the C.B.C. The effect of this is to place in the hands of the competitors of the non-network stations complete information about a potential broadcast advertiser.

Naturally, where the corporation does the work of arranging and reselling the lines, the Canadian Association of Broadcasters believes that the corporation has a right to make a profit on the lines for this work. It is, however, difficult for our members to understand why the cost of hooking up two or more privately owned stations as a subsidiary local network should be 12 cents per mile per hour, 10 cents per mile per half hour, and 8 cents per mile per quarter hour, plus \$2.50 loop charge for each station, when the cost of hooking up these same stations to the national network is only 7 cents per mile per hour, 6 cents per mile per half hour, and 5 cents per mile per quarter hour. The cost per mile on the permanent national network is understandably less than either of these charges.

The effect of these charges and the C.B.C. policy with respect to lines is to make it so costly to an advertiser operating in a given region that unless he can get time on a regional C.B.C. network or is a sufficiently big operator to disregard the increased cost of reaching a given audience over a subsidiary hookup, he cannot use a live talent program. Thus the smaller business organization operating in a regional area is penalized and the broadcasting stations not only lose revenue but also a good live talent program.

We urge that this committee recommend that two or more private stations be permitted to link up for specific programs without hindrance, and that the line charges in the case of sustaining, non-profit-making programs be not more than the actual C.B.C. cost thereof in the case of commercial programs. C.B.C. cost plus a reasonable supervision fee not exceeding 25 per cent. This would greatly encourage the development of Canadian radio talent and of distinctive Canadian programs.

A further factor which is affecting the future of broadcasting in Canada is the power situation. Whatever the future may be for individual stations in Canada, the Canadian Association of Broadcasters is of the opinion that the C.B.C. policy of freezing any increase in power for the private stations to 1,000 watts in the face of the Havana treaty is rapidly placing Canadian broadcasting, so far as power is concerned, in a very secondary position. True, the treaty gives until 1946 to arrive at the maximum power for the various channels. This is not the important point outside the free channels. The fact is that from the signing of the treaty up until recent freezing, stations in the United States were readily allowed to move up to the maximum of 5,000 watts on channels shared with Canadian stations. The United States stations got there first and the result is a lessening of the area served without interference by the Canadian stations. Now it is the understanding of the Canadian Association of Broadcasters that even if Canadian stations on these channels were allowed to go to the maximum granted by the treaty, they would have difficulty in doing so as they have to protect the United States stations from interference with their new power.

By the Chairman:

Q. Excuse me; if that policy was followed out, then is it not a fact that all these stations would get away from the original intention of being local or real community enterprises? Increased power would give them, of course, greater coverage and greater volume, and the purpose of it would be, of course, to take in a much wider area. They get away then, I submit, from the community organization which was the original intention in granting them licences at all?—A. Mr. Chairman, if I might comment this way, you cannot take it as an all-over picture. There are some of the private stations where there is no necessity for them to go above 1,000. There are others which are on shared channels with the U.S. stations which at 1,000 watts are doing a good job of coverage of the local area, and practically all the area is covered by their station or links up with another one. When the U.S. stations were allowed to go up in line with the treaty to 5,000 watts the effect is—putting it as far as I can in laymen's language, not being technical—to push in, that is, to extend the area of interference and so you reduce the primary area that can be covered by that station and you reduce its ability to do a good job and put a clear signal into the area that it was previously serving. It is only in those cases that I think there is necessity for some consideration. Otherwise we find ourselves in the position that certain sections of our country find it much easier to listen to the U.S. stations than to the Canadian. I am speaking again of the signal strength.

By Mr. Coldwell:

Q. Isn't this a fact, that the Canadian people through its parliamentary government decided that radio broadcasting should be a public facility; these channels were allocated to Canada and if what you say is true isn't it the business of the corporation to have its own stations and take up these wave lengths allotted under the Havana agreement and not give them to private organizations?—A. Mr. Chairman, if the corporation or the government of Canada decide to take over all broadcasting stations in Canada I think that would probably hold, but I am not thinking of the high-powered cleared channels. I am talking of the shared channels of stations which at present are on 1,000 watts and their counterpart in the U.S. has been allowed to go to 5,000 and they have been restricted in the area which they can cover as a result of the increase of power from the U.S. stations.

By Mr. Claxton:

Q. Mr. Bannerman, in your argument here you have raised a number of points of very considerable complexity, I think you will agree, but as to the

effect of all the arguments that you have been putting forward so ably with regard to discounts, networks, line charges, and increased power for private stations isn't the effect of all that to increase the revenues of the private stations?—A. It won't necessarily increase revenues. In some cases it might quite readily. It won't take anything away from the revenues of the corporation.

Q. Are you sure of that?—A. I would be quite certain of it.

By Mr. Coldwell:

Q. It would increase your revenues and they appear to be pretty substantial just now by the way they put on parties when they open expensively equipped new stations.—A. That is a matter of individuals. There are plenty of people who up until the recent budget gave substantial parties at their homes. I do not think that is a matter of responsibility from the association's point of view.

Q. Oh, I just mentioned that.

By Mr. Claxton:

Q. Isn't it true, too, that since 1936 the institution of a second network and such increases in power and changes in frequencies as there have been have already improved the position of the private stations substantially?—A. I think one must be fair about that and say that, as I have said in evidence already, we recognize that the corporation since 1936 has improved broadcasting in Canada.

Q. That isn't my question.—A. Your question was, of course, as to improvement of revenues. Revenues are a peculiar thing. The question has been raised here several times about how much profit stations are making. I think it should be faced right at this time, Mr. Chairman. As I said, I have not detailed information but in my opinion a shrinkage of 15 per cent in revenues would put most of our stations in the red. I have already mentioned that for some 15 years losses were a very regular occurrence and it was only in the past five years that the stations began to get back the money which had been previously lost.

By Mr. Coldwell:

Q. How many stations, for example, in that previous 15 years did Mr. Thompson own?—A. Mr. Thompson could not have owned more than two of them, I would say.

By the Chairman:

Q. 15 years prior to now?—A. No, that is from 1922—this is 20 years—that would be 1937, wouldn't it?

Q. They were not making any money?—A. As I said in the main the stations did not make money. Losses were quite a regular occurrence during that period. That was the period of experimentation and development. The first licence was issued on the first of May, 1922; in other words, a very short period in operation.

By Mr. Claxton:

Q. Are there not two possible objects in having private broadcasting stations? One is to make money and the other is to advertise the wares or personality or newspaper of the owner so there are two motives in owning a station, one to make money and the other publicity for the owner or his products or publication?—A. In answer to that question let me say whatever the purpose of the individual or group of individuals who secure the licence may be, their operation must be satisfactory to the local community or they have not an audience and they have nothing in the way of producing revenue for themselves.

Q. That is quite understood, but that does not deal with the point I put to you, and that is in addition to the profit motive there is also for the private station owner the purpose of gaining publicity for his products or his publication so even if the station should lose money on its operations as a broadcasting station it may be money well spent for the purpose of advertising its own particular product or publication?—A. Let us look at it this way; in the early days I think the Marconi company had something like eight stations in Canada in the very early stages. Those were disposed of or the licences allowed to lapse until it got down to one. I think that in the early days particularly the electrical trades, the accessory companies, did buy into broadcasting stations to help sell radio sets they were handling. In other words, the radio set manufacturers really got ahead of the broadcasting stations. They were producing sets and people had very little to listen to in those very early days so that it became essential in order to provide something useful for the sets to develop broadcasting stations, and that really is the beginning.

By Mr. Coldwell:

Q. I think Mr. Claxton's point is a very good one. For example, I was familiar with the *Leader-Post*, CKCO, Regina, the *Leader-Post* Publishing Company. All day long that name used to go over the air, so to speak, and it is a constant advertisement for the newspaper. Mr. Ross insisted the other day when we were discussing shortwave that we should try to assess the value of the intangible things, and I take it that Mr. Claxton is trying to assess the value of these intangibles to the organization or newspaper or individual who owns the station. It is not only the profit but the advertising and goodwill that counts; it is not only revenue?—A. There is no question about goodwill. I would agree with you there, and, as you say, if, for instance, they wanted to advertise a special featured article that was in the Regina *Leader-Post* that would be direct advertising. Of course, I imagine one charges the other back and forth as far as the money end is concerned. The naming of the station, providing it is giving good service to the public—if it isn't it is bad will advertising instead of goodwill.

Q. Take the grain companies, CJRM, owned and operated by James Richardson & Son?—A. That, of course, is not owned by them now.

Q. No, but it was for years and during those years you allege they were losing money but they operated that station for a good many years and they got a great deal of very valuable advertising and goodwill from it.

The CHAIRMAN: They were losing money on the station as a separate entity but in combination with other things they were not losing money.

Mr. COLDWELL: No, it was a great advantage.

Mr. TRIPP: Might not a well managed private broadcasting station also serve as an example to our Canadian Broadcasting Corporation and provide them with ideas where they might improve their own system?

The CHAIRMAN: Yes, that point has been brought out on a number of occasions. The idea was that the C.B.C. felt that a lot of these privately owned stations should do more than they have been doing in developing local talent.

Mr. TRIPP: But the ideas produced by both systems should make the whole a better system.

The WITNESS: Shall I continue?

The CHAIRMAN: Yes.

The WITNESS: Earlier in this presentation, reference was made to regulations and restrictions which handicap the privately owned stations from serving the best interests of the community. A brief covering some of these regulations

was presented to the board of governors at their April meeting of this year. Copies of this brief are available if the members of the committee desire to have them.

Briefly, the matters under discussion were: (1) the regulations governing the use of electrically transcribed shows; (2) the ban on price mention—in this connection it is interesting to note that Canada is the only democratic country using commercial broadcasting that so handicaps the medium of broadcasting in competition with other media; (3) commercial sponsorship of newscasts; (4) use of duplicate stations for commercial programs in metropolitan areas of three or more stations; (5) the ban on sustaining and commercially sponsored commentators from the United States.

All of these matters were discussed with the board of governors at their meeting on April 17th. The following letter was received from Mr. Gladstone Murray, general manager of the Canadian Broadcasting Corporation, under date of April 30:—

I am now able to inform you of the decisions taken by the board of governors at their last meeting in connection with the various proposals which were brought forward by the Canadian Association of Broadcasters.

Your suggestion that the board revise their policy to allow the reinstatement of both sustaining and commercially sponsored commentators was given most sympathetic consideration. After full discussion and careful consideration of the various aspects of the problem, the board decided that it would be unwise to make any change at the present time.

Your proposal that the existing regulations prohibiting price mention be rescinded was also discussed. Bearing in mind the fact that the board has, since its inception, been opposed to the idea of allowing price mentions because it was felt that once the practice was started it would greatly deteriorate to the point where it might become a nuisance to the listener, it was decided that no change should be made.

The suggestion of your organization recommending the simultaneous broadcast of commercial programs at places where there are more than two radio stations was deferred for further examination and study until the next meeting of the board.

Your detailed submission seeking the relaxation of the existing regulation governing the use of mechanical reproductions within the restricted period of 7:30 to 11:00 p.m., local time, was studied most carefully. After full discussion, the board decided that the existing regulation should be rescinded and the original reinstated. The regulation will now read as follows:—

Regulation 18

No station shall use a mechanical reproduction (except when its use is merely incidental, as for a background) between the hours of 7:30 p.m. and 11:00 p.m., local time, except with the previous consent of the corporation in writing.

By Mr. Isnor:

Q. What was your reason for making that recommendation to the C.B.C.? —A. On electrical transcriptions?

Q. Yes.—A. Well, it was a matter that we felt we had there really three categories of stations that is, you have the 26 stations that are basically on the C.B.C. and under the old regulations there was half an hour time allowed with some little variation, as you know. These particular stations are able at any time that they have not another program or are not regularly carrying a commercial program, either C.B.C. or sustaining, at any time during the

broadcast day of sixteen hours, they have the right to plug in and pick up whatever C.B.C. sustaining is going on.

The second group called the supplementary, have not quite the same basis and of course are not necessarily sold commercially by the corporation. They are required to carry certain network sustaining programs and have access to certain sustaining programs of the C.B.C. Then the third group, except in the cases of addresses or programs of international or national importance, are not linked up regularly, and we have tried to see if we could not develop them. I think Mr. Gladstone Murray put it very well the other day in explaining the improvements that had taken place in the artists doing recording and shipping them out to bring the best music we can find into these stations, and at the same time do what we can locally with the local talent.

By Mr. Isnor:

Q. Did you have in mind anything pertaining to the fees that you have to pay for performing rights?—A. It does not make any difference whether it is live talent or a transcribed show, you have to pay the performing rights fee.

By Mr. Coldwell:

Q. The transcribed show is very much cheaper to put on than the ordinary program?—A. For the local station which buys it it would be, but the origination is as costly as the network show.

Q. You can buy a transcribed program—

By Mr. Isnor:

Q. Most of those programs that you speak of originate in the United States; is that not so?—A. No, not necessarily; we have a number of transcription companies in Canada doing that. As I mentioned a while ago, this ultimatum which Mr. Petrillo has sent out affecting the transcription companies is going to affect us, if it is carried out, because it will affect a number of Canadian musicians and companies.

By the Chairman:

Q. I was hoping, I might say, that you had as the object the development of local talent.—A. We have given you not only in the brief but in the submissions here the programs that are being developed locally and I think both Mr. Bushnell and Mr. Gladstone Murray, speaking for the corporation, have expressed their views about the difficulties involved in developing local talent and are asking our co-operation to a greater extent.

Q. I heard their evidence and yours and I still believe there is a large amount of talent that is not being developed that could be used by the private stations and the C.B.C. as well. I believe the private stations should be used as a field in which to develop this talent and the C.B.C.—I say this not unkindly—then rob the private stations of the talent that they have developed.

The CHAIRMAN: Rob them because they pay them more money.

Mr. ISNOR: Yes.

The CHAIRMAN: A bigger field.

Mr. COLDWELL: The C.B.C. covers 71 per cent of the area of this country.

The CHAIRMAN: Let us proceed.

Mr. ISNOR: Just a moment. I want to pursue the subject of performing rights just a little further.

By Mr. Isnor:

Q. Did you have in mind or anticipate that such an action being taken as is now contemplated by the union in the United States whereby—A. No, Mr. Isnor,

we were not aware of that at all. This was made and submitted in April to the Board of Governors and that ultimatum has only been issued in the last two weeks.

Q. You did not anticipate something like that would take place?—A. No. This would make it very difficult to get transcriptions to use, no matter what permission was granted.

Q. I can see another angle. Again I come back to the local talent. It may help to develop our own talent?—A. That, of course, is a question. Again you have the problem which I am sure all members of the committee are sympathetic with, the problem of trying to develop talent for the radio. You may find local talent which may be all right for a concert hall but there is difficulty in training it to use it on the radio. Listening to people on a small radio station you cannot help but compare them with American radio stations and network programs to the detriment of the local station. That is one of the difficult things we have to meet.

The CHAIRMAN: This talent cannot be developed in a short time.

By Mr. Tripp:

Q. Did you ever go to a Christmas concert in a local community and see how well filled the hall was? Local talent apparently is more popular than the other.—A. You will find from these records if you have the opportunity of examining them that there is a great deal of that type of thing being done, the musical and concert type of thing.

By Mr. Coldwell:

Q. You mentioned a brief that you had submitted to the corporation; can you table a copy of the brief?—A. Yes; I have copies here for the members.

By Mr. Claxton:

Q. Have you any knowledge as to what percentage of the time is occupied by live talent, transcriptions or recordings?—A. I have not, I am sorry to say; I do not know whether the C.B.C. would have any information on that, I do not have that information.

Q. You do not have that for the private stations?—A. No, I have not got it in detail.

Mr. ISNOR: You could make that up from the reports sent to you by the 39 members who have responded and sent reports to you as a result of the letter requesting that information.

The WITNESS: It would be very hard to make it up from that; it could be done; it is physically possible to do it of course, but the thing we tried to do is to get it from themselves.

By Mr. Isnor:

Q. Do you not get it in their reports?—A. No, not the proportion of time. If I understand Mr. Claxton correctly, he has asked what proportion of time was devoted. I do know the proportion of time devoted to sustaining and commercial but not the proportion of time as between live talent and transcription talent.

Q. I think it would only take me about three minutes to make that up for CHNS. —A. You are very familiar with the local station.

Q. You should be.—A. I am trying to be. After all, I have only been in this thing a year. Now may I continue with my brief, concluding Mr. Murray's letter?

Our Supervisor of Station Relations will get in touch with you so that a new formula may be drawn up. No final decision has been

reached as yet with respect to your proposal that direct sponsorship of news be allowed but when this is forthcoming I shall let you know.

It is obvious from this letter that the Board of Governors and the management are extremely cautious in dealing with requests covering regulations affecting the privately-owned stations. It is also obvious that privately-owned stations are not completely satisfied as has been suggested during the meetings of the parliamentary committee.

Member stations of the Canadian Association of Broadcasters recognize that there must be reasonable regulation of the industry. Most certainly this is true with respect to wave lengths, otherwise there would be absolute confusion. So far as program structure and content are concerned, we believe it is a sound democratic principle to let the people decide. This point of view has been most clearly presented by Mr. William S. Paley, president of the Columbia Broadcasting System, before the United States House Committee. I quote:—

The sovereign right of every listener in America to snap the switch and shut off his radio or to shift his dial from one station to another has been the greatest single factor in broadcasting's onward march.

Added to this is the fact that to a far greater degree than newspapers, magazines, or any other great medium of public information and discussion, we have functioned under the continuous light of pitiless publicity. All kinds of people in all occupations and all walks of life have become conscious of our importance to the nation, and they do not hesitate to tell us and to tell the public what they think about us. Radio editors, the editorial pages of newspapers, the magazines, the form of Congress itself, the vast quantity of fan mail we receive, the scientific audience ratings of our programs, all go to "regulate" us in what I believe is the very best American way.

Beyond all this I believe it is true that most people who do anything try to do it well just because they are people. One man tries to make better shoes simply because he makes shoes at all. A broadcaster tries to put on better programs, not only because he wants to outdo his competition, but because he gets a very natural and human satisfaction out of a job well done.

Some people think we have too many soap operas on the air. Others think there is too much comedy. Still others want more fine music. There are those who want more emphasis laid on their own brand of education or culture. Again, we find people who think we have too much news and others who think we have not enough. Some don't like some of the assertions made by some of our advertisers. Many of these criticisms have been justified, and naturally we work steadily to try to improve our programs and our program structure, which constitute the product we offer to the public. In the long run, the people of America will get what they want and the American people have a way of wanting better and better things. A multitude of real believers in democracy recognize that human beings strive to do a good job—even though at times they make mistakes and fail. They also recognize that government can tamper with free expression only to the people's peril. It is this confidence in gradual improvement that has led so many students of democracy to cling to the slower way, especially because they have felt that in the end it is the sure way and that the end of any other road is dictatorship and despotism.

If this sounds like a *laissez-faire* philosophy, I believe I am one of the last men in America who could be accused of clinging to any such doctrine. I do not ask that broadcasting be immune to any of the normal laws and regulations which govern and properly govern business. I only

say that the laws of broadcasting itself should be deliberately designed to make it lawful and honourable and proper and right for radio to grow and flourish. I say that the basic law of radio should be deliberately drawn to keep radio free, rather than to throttle and hamstring it by shoving it into any straight-jacket of the wrong kind of regulation.

This statement of Mr. Paley's parallels to a large degree the attitude of the member stations of the Canadian Association of Broadcasters. These member stations are continuously endeavouring to build up their service and usefulness to their communities.

There is nothing altruistic in this. It is just plain common sense. After all, these stations have no subscribers. All they have to sell in order to secure revenue to carry on is the opportunity for an advertiser to tell his story to each station's audience. The size of each audience is in direct ratio to the extent to which the stations satisfy the people of their community with entertainment and information. In self-protection and self-interest, each station must satisfy the people of its community in order to hold their interest and attention, otherwise it hasn't an audience and therefore nothing to sell.

This necessity of meeting the requirements of the people is the reason why the association maintains a Code Committee to watch closely how the radio listeners of Canada react to programs content and advertising technique. It is also a committee to work with advertisers and advertising agencies to steadily improve program and advertising standards and practices.

At this point I should like to refer to the statement made by Mr. N. L. Nathanson, vice-chairman of the Board of Governors. The statement appears on page 788 of the minutes and proceedings of the committee. It refers to the privately-owned broadcasting stations. It is a most generous statement and I believe fairly depicts the relationship between the corporation and the member stations of our association.

The Canadian Association of Broadcasters is ready at all times to co-operate in every way that will help broadcasting to better meet the desires and wishes of the listening public. It should, however, be remembered that co-operation is a two-way street. If the co-operation becomes apparently all on one side, it only leads to a blind alley.

An example of our readiness to co-operate was shown at the last meeting of the Board of Governors. At that meeting the delegation from the Canadian Association of Broadcasters was presented with a brief prepared by Dr. Thomson, president of the University of Saskatchewan and a governor of the C.B.C. This brief appears on page 361 of the minutes of proceedings and evidence, Tuesday, June 9. While not in agreement on all points of the brief, our association felt that it was a worthy contribution and expressed a willingness to work with the Board of Governors in a further study on ways and means of improving the art of broadcasting.

To sum up the views of the Canadian Association of Broadcasters, it is felt that with adjustments, as suggested in this statement, the present pattern of Canadian broadcasting, that is, a government-operated system with privately-owned station competition, is sound in principle and that along these lines radio will continue to serve Canadians with increasing usefulness.

Thank you, Mr. Chairman.

The CHAIRMAN: That ends Mr. Bannerman's brief. Are there any further questions which any member of the committee would like to ask?

By Mr. Claxton:

Q. Yesterday at the opening of your presentation you said something that I am not quite sure whether I got right or not. You said that private stations had contributed time to the value of over a million dollars.—A. That is right.

Q. I do not want to deprecate that in any way because I think everyone would appreciate that contribution, but as I understand it that does not suggest they have contributed a million dollars, they have not lost a million dollars; if that time had been sold to commercial stations they would have got over one million dollars for it?—A. I said it was based on the commercial value of the time. It is true it does not take into account their own out-of-pocket expenses for lines and that kind of thing; that is just the actual time.

By the Chairman:

Q. When they did any of that propaganda work in connection with war work was it, as is sometimes done, stated this was donated by such and such a firm?—A. No, that is quite separate from commercial sponsors in Canada. This was time given entirely on station programs which they developed or the speakers, the chairmen of the various committees, or matters of that kind. In addition to all that, these other contributions of time is something which is of concern to the operation of Canadian advertisers. The sponsor who has bought advertising on the station contributed a portion of the advertising time. That is not taken into account on this. This is time donated entirely by the station.

By Mr. Coldwell:

Q. And the government has paid for some time?—A. The government has, of course, paid for some time on the stations and that of course has enabled the stations to do a great deal more than they could otherwise.

By Mr. Claxton:

Q. How much actual cash receipts have been spent on the creation of war programs, do you know?—A. I would not know in detail; the only information I can give is the compilation that was made to show what they had given in time periods, of time on the air, and in arranging programs, giving them an average of \$3 contributed for every dollar gained.

Q. From the government for war programs?—A. Yes. The equivalent is probably the better way of putting it because they may not have sold all the time even though they had not been doing this work. On the other hand, they have had to drop some of the licensed advertising. I got an estimate from quite a number of stations and it varies from about \$500 to about \$2,000 for the commercial programs during these periods. They drop that in order to put on special programs for the government.

By Mr. Coldwell:

Q. Can you tell us what percentage of the time of the station was given to those donated programs?—A. I am sorry, I cannot. I did not get it from that angle. I took the general all-over picture.

The CHAIRMAN: The idea is you won't give up anything on which we might make a compilation of your earnings?

The WITNESS: No, that would not affect it at all. I would be glad to tell you how much time that was, no objection whatsoever. If the committee wishes that the first of next week on my return to Toronto I shall be glad to send it in.

By Mr. Coldwell:

Q. The percentage of time?—A. Yes; that amount of money represents a certain amount of time. Now, it has to be worked out for each station because the rate card, as you have seen here, varies. I could work that out and send you the actual amount of time that represented for each station. We would have to do it for each station.

Q. It would be interesting.—A. There is no objection to that at all.

By Mr. Isnor:

Q. I am informed you have stations at Halifax, Charlottetown, Sydney and Yarmouth. These stations are in the Maritimes and in what was known as Army Week they donated a half-hour each week for a period of 26 weeks. That is along the same line, Mr. Bannerman.

By Mr. Ross:

Q. In connection with freezing of power of the stations, does that mean that some of the stations will lose more and more of their listening audience because of competition from the United States?—A. As I understand it, the stations in the United States have gone to 5,000 watts, we will say. That has restricted to a degree which an engineer would be able to tell you, the coverage which the Canadian station has on the same wave length. Unless that station in the United States went to another 5,000 or 10,000 and the Canadian station had stayed on the same power, no further shrinkage could take place. I do not know whether I have made myself clear or not.

Q. Was Canada supposed to bring its stations up to 5,000?—A. As I understand it under the Havana treaty—

The CHAIRMAN: They were supposed to be given that privilege.

The WITNESS: Given the privilege.

Mr. COLDWELL: And the corporation decided.

The CHAIRMAN: The corporation makes the decision.

The WITNESS: They decided to forego the privilege.

The CHAIRMAN: Not to forego it, not to exercise it until they were in a position to exercise it.

The WITNESS: I believe now where a station in the United States has gone to 5,000 you cannot exercise your privilege to the same degree; you have to protect that station against interference. If you had gone up at the same time or previously—

By the Chairman:

Q. The position relatively would not have been a bit different if this station had gone to 5,000 watts and the American station had gone to 10,000 watts; relatively it would be in the same position.—A. No question about that.

By Mr. Isnor:

Q. What was the object or reason for making such a strong presentation in the brief as presented to the chairman and the members of the board in April in reference to allowing prices to be used in connection with advertising?—A. Well, we felt on this question that prices should be mentioned where the advertisers are in competition with other media, in competition with the press and magazines. We felt we were being put a little bit behind the eight-ball. Then, there was a further thing in our mind. I do not know to what extent this would have a tendency to cut down on the commercial, but I have listened and I am sure members of the committee have listened time and again, particularly on the local programs, to an advertiser trying to tell the public the value of the product which was advertised; he could not quote the price so he tried to compare it with something else that he is sure they will be familiar with, because after all the one thing that you cannot exaggerate is the price.

By Mr. Coldwell:

Q. You can exaggerate what you get for the price though.—A. You can do that; it would be quite possible to do that, but you cannot exaggerate the price; the price is a fixed thing. A year ago I was in the west and I had conver-

sation with a farmer friend of a cousin of mine out there. He said, "I am just far enough away from this centre that I do not get the paper regularly every day." He said, "Why don't you tell the price of such and such a product on the air? Suppose such and such a shoe store is putting on shoes next week at a certain price, why is not that price given? I wanted a pair of shoes but by the time I got the paper which told me the price of the special and I got to town it was too late, the shoes were gone."

By Mr. Isnor:

Q. I suppose that was a broadcast in connection with some local firm in the town.—A. Yes, a local firm in the town some 40 miles away, I think it was.

Q. Did this originate with you or with your association or with your sponsors or advertisers?—A. You mean this price mentioning?

Q. Yes.—A. Definitely with the association.

Q. After a demand from advertisers, users of the station?—A. Yes; as a matter of fact they have made various submissions both to parliamentary committees and to the board on previous occasions asked for this; the advertisers have asked for this.

By the Chairman:

Q. It boils down to this, there has been an insistent demand by the advertisers more and more to commercialize what they are attempting to do.

Mr. ISNOR: I was trying to find out where it originated.

Mr. COLDWELL: I just happened to notice this; it was in my mind but I was not quite sure about it. You have an article here from New Zealand. There is no restriction whatever regarding price-mentioning on commercial broadcasts in New Zealand. There is no regulation governing this in New Zealand. They have two networks?—A. They have two networks.

Q. They have a government network such as we have and then they have a commercial network which is also owned and controlled by the government?—A. One network is purely sustaining, as if the C.B.C. carried no commercial work; then they have another network which carries all the commercial programs. In Australia you have—

Q. In New Zealand?—A. That is the system there.

Q. And it works out well there?—A. I do not know anything about it. I have the parliamentary committee's report on the Australian system but I have not—

Q. It seems to me that is rather a good plan from the standpoint of revenue to have two government networks, one on a sustaining basis and the other one on a commercial basis.—A. You have got that to an extent now in this country.

Q. That would eliminate the criticism you have made of people being compelled to listen to a particular program at a particular time. If the government owned the two networks then the objections you have raised would be eliminated. That seems to be something the committee might well consider, and it would bring all the revenue to the C.B.C. instead of allowing it to escape us.—A. As a matter of fact the situation you have right now gives you an alternative network which is pretty much largely commercial. I think that it is a very definite advantage. We try to work it out where possible to have an alternative program on. Of course, where there is a big centre and four or five stations, with two stations carrying it and only reaching the same number of listeners it is a little different. But generally speaking if you can provide an alternative program it is a great advantage. Nobody likes the same thing all the time.

Q. The possibilities of expanding the commercial network I think rather confirms the opinion of the board that it is wise to keep the channels allowed by the Havana treaty purely in the hands of the corporation. I think it would indicate that quite clearly.—A. The channels allowed by the Havana treaty are in the hands of the Department of Transport; that is, the licences. The lines are the essential part of the network broadcasting.

Q. I understand that.

By Mr. Isnor:

Q. Let us go back to the price question again. What was the reaction of the C.B.C. in regard to your suggestion?—A. Well, I read Major Murray's letter in evidence here. Naturally they said that they were not prepared to agree to it, that the Board of Governors had always been opposed for the reason that if any price-mentioning was allowed it might be a nuisance to the public.

Q. You read that into the evidence?—A. I read that into the evidence.

By Mr. Tripp:

Q. There is another thing about this price business. One reason why price is not mentioned is that you have not in the time allowed to you the opportunity to give the privilege to every person who wishes to advertise the possibility of advertising. You have not got enough time in 24 hours to give every person who might wish to advertise the opportunity to advertise therefore if you mentioned the prices you would confine the business possibly to a certain number of advertisers who had the privilege of advertising over your network.—A. So far as I have been able to tell—

Q. There would be a tendency to centralize business.—A. No, the local station would allot time on his station. Take, for instance, a station in Owen Sound; let us use it as an example. That station would be able to accommodate all the advertisers locally that it would be able to get.

By Mr. Coldwell:

Q. What might happen is that you might have a big advertising concern like Eaton's and Simpson's and some other large concerns enter into a contract with Mr. Thomson for time over his eight stations and the local merchants in Kirkland Lake and some other small towns would not be able to get advertising on the air at all and he would be further eliminating the independent merchant.—A. Well, the one thing that we have found, as a matter of fact, in discussing this thing and trying to arrive at some suggestions has been that the larger concerns have not done this nor have they been nearly as interested as one would think because of the variation in the prices in the area which they cover.

Q. At one time a large store in Regina owned a radio station.

The CHAIRMAN: And their experience has been press advertising is a better medium for getting business.

Mr. COLDWELL: Nevertheless the fact is some of the concerns have found it advantageous financially to operate radio stations. The R. H. Williams Company had a radio station.

The WITNESS: That was true in the earlier days, but they found it was a costly venture and they gave it up.

Mr. COLDWELL: I think the more recent regulation of the corporation prohibiting price-mentioning is a factor in that decision.

The CHAIRMAN: Surely.

By Mr. Isnor:

Q. Have you anything to do with the contracts? Suppose I wish to make a contract with a number of stations would I use your association as the channel?

—A. No we have nothing to do with the contract routine operation. Just as a newspaper employs a selling agency so the broadcasting station employs a selling agency.

Q. You have no means of making special rates?—A. We have no control; we are a voluntary association; we have no big stick.

Q. I think the same thing applies to the weekly newspaper association. During election campaigns you might use them as a means to send out your material to a number of papers, to members of your association.—A. Don't they send actual paid for space on the part of a political party through an advertising agency? As a regular custom the advertising agency develops the work and places the order for the various newspapers.

Q. Only in the case I think the agencies are more interested in the dailies that they have an arrangement whereby they get their percentage or commission?—A. That is true in all publications and broadcasting. Every publication that is on the market pays the advertising agency for any business the agency places through them.

By Mr. Claxton:

Q. Mr. Bannerman, you mentioned New Zealand. I think it might be pointed out the licence fee payable in New Zealand in 1939 by private listeners was \$6.08 at gold parity so that the situations are not at all comparable.—A. No, they are not very comparable. I was not quite sure what the fee was. That is as against \$2.50 here in Canada.

Q. In South Africa it is \$8.52 and in Australia \$3.95.

By Mr. Coldwell:

Q. What is the British licence?—A. 10 shillings.

Major MURRAY: 10 shillings, but it is not collected directly. The B.B.C. was given £10,000,000 this year.

The CHAIRMAN: Anything further?

By Mr. Claxton:

Q. Just one further question about this live talent; can you tell us how much is spent by the private stations on the average on live talent?—A. No, I cannot. I am sorry. Of course, that varies terrifically with different stations. I do know the stations in the larger centres spend very large amounts, and one of the list here in Quebec I think is the only one who states that for live talent alone he spends over \$10,000 a year. That is sustaining talent.

Q. I am talking about sustaining talent.—A. Yes, naturally, because that is his only direct out-of-pocket expense.

Q. By and large apart from half a dozen stations isn't it fair to say that very little is spent by the stations on live talent for sustaining programs?—A. They have tried. I know this much that they have tried to work out a percentage of their revenue as being devoted to live talent. Frankly, in some centres, they claim they have not been able to find enough talent to use that up without putting on programs where people are not really ready to broadcast.

By the Chairman:

Q. Are there any set fees that certain classes of live talent are paid or does that remain with each individual local station as to what they shall pay?—A. It varies, of course, as between communities. On music which, of course, is live talent that is pretty well regulated by the unions. On vocal talent I think it is their own private arrangement pretty generally, and it varies from community to community and depending on the particular person.

By Mr. Claxton:

Q. You said, Mr. Bannerman, that up to say five years ago many of the stations had operated in the red. You are basing that on just general observations rather than on statements?—A. I think that should be made clear. I have not in my possession detailed information of what the losses were. It is from statements that have been made to me by the individual station managers but I have not gone back through their books.

Q. No more than you have information as to what their profits have been for the last five years?—A. No.

By Mr. Coldwell:

Q. About this station that spends \$10,000, what was the total revenue of that station? Do they show that there?—A. No, they are just talking about how much they spend on talent.

Q. Or what proportion of the amount received that \$10,000 represents?—A. No.

Q. So it may not mean very much?—A. No, except it gives you an idea what was spent by one station in the city of Quebec.

Q. That is a very small amount to spend in a city that size?

By Mr. Claxton:

Q. Basing yourself on the same source of information, general information that comes to you, will you say it is a fair statement private broadcasting stations are making greater profits to-day than ever before in their history?—A. No. I don't know just how I could help the committee on that. Let me put it this way. I want to be helpful. Prior to my being with the Canadian Association of Broadcasters I was the chairman of the radio committee of the Association of Canadian Advertisers. That was up until 1940. Naturally I had a fairly intimate knowledge of the amount of activity on behalf of the national advertisers, and I am speaking now only of national advertisers that spend money in various mediums. This would only be a guess, and I don't know that it will help the committee at all, but it would be my opinion that last year there was probably spent on all stations in Canada including the government stations and the chains, somewhere in the neighbourhood of about \$6,000,000. That is by advertisers local and national.

By Mr. Coldwell:

Q. How much? About \$6,000,000, I would think, on all stations including the corporation as well as individual stations.

By the Chairman:

Q. Is it not a fact, Mr. Bannerman, that one of the reasons why these privately owned companies did not show profits in their first years was that they had very heavy write-offs with reference to their internal expenditures both on real estate and buildings and equipment, and that has been pretty well written off and it is not taken as a matter now in their profit and loss statements and they can show profits now but actually they were making profits at that time?—A. Mr. Chairman—

Mr. COLDWELL: Paying for the real estate and equipment.

The WITNESS: Mr. Chairman, I do not think that would be quite a fair impression because it is only within the last five years that the advertiser has become really to any great degree interested and felt that broadcasting was a medium that enabled him to tell his story to people in a very effective way. I think it is in evidence that after your own public corporation got going—I think it was in 1938 you really got going, 1938, 1939 and 1940—the increase

there would be fairly indicative of the general procedure. In other words, the first full year they were operating their revenues were nothing like as good as they were this last year.

Q. Of course, increased fees had a good deal to do—A. I am speaking only of the commercial money, leaving the fees out of the picture. I am just talking about the commercial picture because that is the only thing that can be compared with what might be the general commercial picture in Canada.

By Mr. Claxton:

Q. Does that estimate of \$6,000,000 include anything for programs, talent, wire lines?—A. That includes the whole thing, and as I say, it is only a guess and all I am doing is using the experience I had when I was with the Hudson Motor Car Company and as a member of the Association of Canadian Advertisers, and as chairman of their radio committee. That is the only basis I have to go on because after all I am merely a servant of the 61 member stations and as a voluntary association they do not provide me with detailed figures.

By the Chairman:

Q. Can you suggest any reason why all of the stations do not come into your organization?—A. Yes, I think I can. A number of those stations have just got under way. Others—I don't know just why—there are one or two newspaper stations that are not members. It is a purely voluntary thing and you know how membership goes. A station will come in and perhaps stay for a while and decide they are not getting enough help and drop out and they will come back again another year. The experience of the association has been that a certain number of stations are in and out all the time.

By Mr. Hansell:

Q. Are all the Alberta stations members of your organization?—A. Yes, I believe they are. In fact, I believe all Alberta and all Saskatchewan stations are members.

The CHAIRMAN: Anything further? I think that is all, Mr. Bannerman. Thank you very much. We will take note of the representations which you have made and in presenting our report take them into consideration. Is it the wish of the committee to have Mr. Baldwin or Mr. Buchanan? You wanted to question Mr. Baldwin with reference to vouchers.

Mr. COLDWELL: Mr. Chairman, don't you think we had better start on this after lunch?

The CHAIRMAN: It should not take very long with Mr. Baldwin. We will proceed until 1:00 o'clock.

Mr. TRIPP: Is there any possibility that Mr. Buchanan might bring up some questions that we might wish to ask Mr. Baldwin about?

The CHAIRMAN: I don't know that.

HARRY BALDWIN, recalled.

By the Chairman:

Q. Mr. Baldwin, you are conversant with the matter which was brought before the committee yesterday having to do with some special expenditures, and it was the wish of the committee that you should present the vouchers or make a statement with reference to that.

Mr. COLDWELL: I think it was to present the vouchers.

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen: since all I know of what took place yesterday is what I read in the evening papers and the talk I had with Mr. Bramah who is here, I am afraid I would like to have a little more definite instructions.

Mr. COLDWELL: If that is the case I think we should give Mr. Baldwin an opportunity of reading the evidence which is now transcribed and he should have a good look at it. I do not think it is fair to ask him to comment on that evidence unless he has seen the actual transcript and the transcript is available.

Mr. HANSELL: I agree there because we are trusting to our memory, too.

Mr. COLDWELL: It saves time. We will just be asking a lot of questions probably from our own memories and Mr. Baldwin would not know what was in the evidence, and I think before we examine him he should look at it.

By the Chairman:

Q. Mr. Baldwin, would you be in a position to review that evidence between now and 4 o'clock and appear at that time?—A. Yes, sir.

The CHAIRMAN: I think it will be necessary to have the committee meet again this afternoon, if possible, at 4 o'clock, and in the meantime we will release Mr. Baldwin and call Mr. Buchanan. Is that satisfactory?

The WITNESS: May I ask this, Mr. Chairman? Will I be able to see from the evidence to what vouchers you refer?

Mr. COLDWELL: Yes. I think, speaking from memory, those which related to a fund which was known as a special intelligence fund or something of that sort, and then the matters which Mr. Pickering mentioned yesterday regarding an account which was put in in the spring of 1939 and was withdrawn, and the facts in connection with the payments or claims on account of the per diem allowance that spring.

The CHAIRMAN: Two special funds that were specifically referred to in Mr. Pickering's evidence. You won't have any difficulty at all when you read the evidence in knowing what the committee desires.

Mr. CLAXTON: I do not think reference was made to special funds. It was a series of expenses.

The CHAIRMAN: One was known as an intelligence fund or for intelligence service. I cannot just recall the names of them, but they are specifically referred to in Mr. Pickering's evidence.

Mr. COLDWELL: And in Mr. Murray's evidence, too; I think you should look over that, too. I think anything relating to funds; make it as wide as that.

The WITNESS: If I may have the transcript I will be able to give any answers and produce anything.

The CHAIRMAN: The transcript is available.

DONALD BUCHANAN, called.

By the Chairman:

Q. Your address?—A. 644 King Edward, Ottawa.

Q. Your present occupation?—A. I am supervisor of rural film circuits for the National Film Board.

Q. When were you in the employ of the C.B.C.?—A. From January, 1937, until November 25, 1940.

Q. I understand you have a brief in connection with matters during the time that you were in the employ of the C.B.C. I think if you will proceed with the brief that will lay a background for any questioning.—A. It is not a brief. It is really a short statement.

Q. All right.—A. Dr. McCann on Wednesday requested that I appear before this committee as my name and resignation from the C.B.C. had been mentioned several times in evidence here. He also suggested that I could very well prepare a statement relating to these points concerning my resignation. I have no lengthy statement like Mr. Bannerman's. I have made it fairly brief.

My experience before entering the C.B.C. was as a journalist with the *Toronto Star* and for a year with the *Toronto Saturday Night* as their parliamentary correspondent in Ottawa. I am not to be confused with Mr. E. C. Buchanan, who at one time worked for *Saturday Night* and also was formerly with the Canadian Broadcasting Corporation. I did several jobs of research on grants from the Carnegie Corporation of New York, including the organization of the educational and cultural activities of the National Film Society of Canada on a nation-wide scale.

At the beginning of 1937, because of my interest in public service broadcasting, I applied to Mr. Murray for a job with the C.B.C., and after two interviews with him he wrote me a letter asking me to join his staff under Mr. Bushnell to organize talks programs. Shortly after my resignation in 1940—I believe three weeks afterwards—I was offered and accepted a temporary assignment with the Information and Censorship Service of the British government, and more recently, as I have said, I have been employed by the National Film Board.

I appear before this committee as a former supervisor of public affairs broadcasts in the Canadian Broadcasting Corporation. Because of certain untenable conditions within the corporation I resigned in protest in November, 1940. My reasons were given in a letter to Mr. Murray which was read into the proceedings of this committee on May 26. I made two main criticisms. The first was that the general manager had not asked the board of governors to define a new policy for public affairs and other war and national information programs which would clarify the various ad hoc and personal amendments in procedure and principles which had been made since the outbreak of war in 1939. This meant that without new rules to replace those drawn up by the board in their published statement of July, 1939, on controversial broadcasting—I believe sometimes referred to as the white pamphlet—the program department of the C.B.C. was being forced to operate, during a complicated period, without any clear-cut and established directions from above. My second point was that through lack of established policy few wartime talks were being presented directly and definitely by the C.B.C. itself on its own initiative, and of these few some were prompted by personal considerations and did not relate to any considered or well thought-out plan of war information.

Various witnesses already before this committee have referred indirectly to my points of criticism. For example, Mr. Nathanson, the vice-chairman of the board of governors in his evidence on page 726 gives direct assent to my statement in my letter of resignation that the series of broadcasts by George McCullagh in the autumn of 1939 were not referred by the general manager to the board of governors for decision as to policy. I remember clearly how my former colleagues on the program staff viewed with concern this apparently unilateral decision by the general manager to present a series, to be given by one man only, of Sunday evening broadcasts on war aims and war methods, without obtaining in advance the official sanction of the board of governors, or if it was true that the board was not functioning at that time, the beginning of October, 1939, then at least from the Canadian government itself.

Although there had been previously a few miscellaneous talks on war questions, these were the first detailed statements about war aims to be presented on the Canadian network, and certainly these talks by Mr. McCullagh, because of their subject matter, and because of the extraordinary amount of publicity given them, were considered to be semi-official in origin by many listeners both here and in the United States. In fact, many individuals sent in protests concerning the content of these addresses, not to the C.B.C. at all, but to the government instead. The official reply given these correspondents by the secretary of the Prime Minister—I happen to know this because copies of these replies were sent to the C.B.C. for our files at that time—these official

replies stated, and a most proper response it was, too, that the policy governing programs was always decided by the board of governors of the C.B.C. and never by the government. But as Mr. Nathanson has stated in his evidence, Mr. Murray did not ask the board for guidance on this series.

No sooner were the McCullagh broadcasts announced than, as I say, these protests from individuals and from newspapers, too, began to arrive. The general manager thereupon asked me to draw up a list of speakers who could follow Mr. McCullagh and be heard on the same theme but from different points of view. This new group of talks was designed to counteract the criticism which had been raised. Mr. McCullagh however, as I remember, gave six talks in a row. The gentlemen who followed him were only allowed to give one each, except for Sydney Smith who was asked to give two.

This was only one incident among many which occurred, and which would not have needed to occur in such troublesome form if the general manager had only had the board draw up a revised declaration of policy to meet wartime exigencies. In addition, any really effective building of national information programs soon became impossible owing to this lack of clarified direction. A confusing period followed. Various war departments of the government put on talks. The C.B.C. management itself took advice from various quarters, sometimes conflicting advice from outside advisors. For instance, there was the series "Over the Top" to which I shall refer in a minute.

However, by September, 1940, a period not of confusion but of almost complete inaction—I speak now of talks and discussions, not of dramas on war themes—had been reached. Let us look, for example, at the realities of the program schedule for September, 1940. At this time Mr. Bushnell, my immediate superior, to whom I reported and under whose discipline I was and in whom I had every confidence had been sent by Mr. Murray to England on an important assignment with the B.B.C., which meant incidentally that no one with the experience of Mr. Bushnell was left in Canada to supervise the C.B.C.'s own essential program planning. Mr. Bushnell was away for nine months. I am able to refresh my memory concerning this period thanks to an accurate chart of talks series of national interest for the months September, 1940 to December, 1940, which Mr. Murray gave this committee last week. I believe it is on page 849. Break that chart down for months and what do you find for September, 1940? What I consider to be the worst period. That is for week-day evenings and for Sundays. There were only three talks series remotely connected with the war for that month. These were the Sunday afternoon reviews of world affairs given by members of a panel of commentators whom I had helped select, and the talks series by R. S. Lambert and R. B. Farrell, these last two arranged personally by Mr. Murray. The engineering series mentioned in the chart had stopped in May or June and was not continued again until about November when only two or three broadcasts were given. It anyhow was a series promoted not by the C.B.C. but by the Engineering Institute of Canada.

Of course, there was on Sundays the series "Let's Face the Facts"—and also the series "Carry On, Canada", dramatized, not really a talks series—but these were entirely the conception of the office of public information, and Mr. Graham McInnes, a radio free-lance writer, was hired by them at that time as research writer for "Carry On, Canada", although the C.B.C. producing department did the actual production; also a series put on partly by the Red Cross and partly by the Canadian Legion was arranged for Sundays. To leave Sundays aside and to take the six other days of the week for those six evenings the only talks series on national or international topics presented by the C.B.C. were those which Mr. Murray had asked Mr. Farrell to give. There was, however, at the same time on week nights an average of three-quarters of an hour an evening or $4\frac{1}{2}$ hours a week devoted to regularly scheduled rebroadcasts of talks, commentaries and news reels from the B.B.C. in England. It was a very good

idea to have some of these B.B.C. re-broadcasts, but what disturbed me and many others, however, was the lack of balance in time devoted to programs of English origination and similar programs originated in Canada. The balance was on week days approximately $4\frac{1}{2}$ hours for B.B.C. re-broadcasts—and I have to give that figure from memory and rough notes I may have had at the time, it is not absolutely accurate but it is pretty accurate—in contrast to only one-quarter of an hour for Canadian series of a similar nature and that quarter-hour was occupied by R. B. Farrell.

It was not that we did not have a rich mine of talent in Canada. We did; we had countless excellent speakers to draw upon. There were many men who had good ideas and who wanted to help. I had on several occasions drawn up proposed lists of series in which these men, including L. W. Brockington and others, could have been used more regularly than they were and in a series, but to little or no avail. In fact, when, following a recommendation made to me by the Director of the office of Public Information, I arranged as a C.B.C. series a group of interviews on war participation with the leaders of most racial groups of non-English speaking origin in Canada, ranging from Ukrainians to Scandinavians and Icelanders, this series called "Aspects of the War" had barely begun when I was forced to cancel part of it, postpone the rest of it, and eventually put some of these broadcasts on a western network only as the time reserved for it nationally was required, I was told, for B.B.C. re-broadcasts. You need only to look at the scripts of this series "Aspects of the War" to see how useful an extension of such a series might have been in promoting unity and war endeavor.

Mr. Bushnell, as I have said, was seconded for work with the B.B.C. in England. How important Mr. Bushnell was to good program building in the C.B.C. is shown, in my opinion, by the fact that the management, faced by growing criticism, had suddenly to recall Mr. Bushnell in January of 1941 to take charge of Canadian programs again. In the meantime during his absence from the helm C.B.C. programs lagged. Outside organizations, however, during the interval of his absence, were demanding that something be done about arranging at least a few Canadian discussion programs. In the autumn of 1940 the Canadian Association of Adult Education, after prolonged negotiations, received permission to sponsor, along with the C.B.C. and in co-operation with our production division, a series of discussions on citizenship.

The Dominion-Provincial Youth Training Scheme under the Department of Labour and the Manitoba government also asked for and got a series on a western network only, called "Challenge to Youth." Then the Canadian Senate itself stepped in and asked for action and two series in October were arranged in conjunction with the Senate committee on war co-operation. This, however, was almost a complete relinquishment of planning by the C.B.C. management. It was a case of "Let George do it," if we do it we may get into trouble so let some outside group take the responsibility instead. That, Mr. Chairman, was in the autumn and early winter of 1940 at a time when the allied fortunes of war were at their lowest and when inspiration was needed most.

By Mr. Slaght:

Q. I did not get what that was, witness, that you suggested about "Let George do it".—A. Oh, the fact that four or five programs relating to democracy and the war were only put on after fairly emphatic requests that something like that ought to be done had been made by outside organizations who were indirectly responsible, in fact, who bore the main responsibility for the contents of the programs.

By Mr. Coldwell:

Q. And by the Senate committee?—A. The Senate committee had co-operated in two others and suggested the names, I believe, of the speakers.

Mr. COLDWELL: Mr. Chairman, if Mr. Buchanan has paused there I wonder if we might adjourn for lunch?

The CHAIRMAN: All right, if that is the will of the committee. Would the committee consider sitting again this afternoon?

Mr. CLAXTON: I was looking over the evidence that has been taken so far and it came to my mind several questions have been raised as to the legal status of the C.B.C. and I think I made the suggestion before that we might have the Deputy Minister of Justice appear before us to assist us on this point. There may be some points there on which there should be legislation. I have in mind the question of liability of taxation, liability to be used in the courts; whether or not the C.B.C. can make labour agreements and whether or not it comes under the War Risk Insurance Act and whether or not action could be taken in the Exchequer Court and so on. I think some 89 questions have been raised. In view of that I wonder if we should not have the deputy minister come before this committee—

The CHAIRMAN: This afternoon?

Mr. CLAXTON: I will not be here this afternoon, and I also wonder if he would not need some preparation.

Mr. COLDWELL: I think there is one witness we have not called that should have been called, particularly in view of the amount of time we have given to the Plaunt and Thompson report. Mr. Plaunt is dead, we cannot call him, but Mr. Thompson is available. I think we will not be fulfilling our duty or our obligations if we do not have him here. He might only be here for a very, very short time. I think there are some questions arising out of his report that should be asked of him and I think he should appear.

The CHAIRMAN: That will necessitate us having another meeting next week.

Mr. COLDWELL: Yes.

The CHAIRMAN: We will make arrangements to have Mr. Thompson and the Deputy Minister of Justice next week. In the meeting this afternoon we shall proceed with the evidence of Mr. Buchanan and the treasurer, Mr. Baldwin.

Mr. CLAXTON: What day will you meet next week?

Mr. SLAGHT: You had better meet on Monday.

Mr. COLDWELL: We should meet on Monday if we can.

Mr. SLAGHT: I understand the house expects to sit in the mornings next week, beginning on Tuesday. If you can have a meeting on Monday morning I think you ought to have it.

The CHAIRMAN: We will decide this afternoon when the next meeting shall be held. I might say for the information of the members of the committee we have the full text of the broadcasts of Dr. Roy, Letellier Saint Just and Louis Francœur. They have been tabled. We shall adjourn now until this afternoon at 4 o'clock.

The committee adjourned at 1 o'clock to meet again this day at 4 o'clock.

AFTERNOON SESSION

The Committee resumed at 4 o'clock

The CHAIRMAN: Gentlemen, we shall continue with Mr. Buchanan.

DONALD BUCHANAN, recalled.

The WITNESS: Now, Mr. Chairman, I left off this morning in the middle of a paragraph about a description of Canadian programs as they were in one particular month, September, 1940. Since then it has been brought to my

attention that at the time I resigned from the Canadian Broadcasting Corporation I was asked to write an article under my own signature for the *Montreal Standard*. The date was Saturday, December 14, 1940. In it I made the same criticisms but probably in more clear-cut fashion as I was writing this at the very period. This particular article outlined all the reasons in detail which I had given in my letter of resignation, and while I may say that various other articles by other people were written at the time about the C.B.C. and some attempt to answer them was made by R. S. Lambert, in articles in *Toronto Saturday Night*, letters to the *Canadian Forum*, and letters elsewhere; no attempt, as far as I know, at any time was made to answer any of the criticisms in that article of mine. Instead of going on from the paragraph I was in the middle of reading in the brief notes I have prepared for the committee, I think if I have your permission, I will quote instead the paragraph on the same subject from the article of December 1940. I said:—

Constructively considered, the C.B.C., however, has done a good job as far as programs from Great Britain are concerned. Here it has co-operated with the British Broadcasting Corporation. It has sent a crew of technicians, announcers and producers to England, and, as a result, many excellent programs about our troops overseas have been relayed across the Atlantic by short-wave to the Canadian networks.

Yet similar energy and thought has not been expended by the C.B.C. on war-time broadcasts of purely Canadian origin. There have been feature programs from camps and factories in the dominion, but these have been sporadic. They have not been publicized in any regular series like "The B.B.C. Newsreel". Also an acting supervisor of programs, with restricted powers of initiation, alone remains in charge at program headquarters in Toronto.

I previously in the article mentioned that Mr. Bushnell was in England.

As a consequence, the majority of the ideas used in C.B.C. wartime broadcasts are not the creation of the C.B.C. itself.

Previously in the article I had mentioned the program "Carry On Canada" by the Office of Public Information.

Then I go on to say:—

Also many enthusiastic groups, such as the Canadian Engineering Institute, the Dominion-Provincial Youth Training authorities in western Canada, confronted by the lack of C.B.C. inspired programs on democratic themes, have come forward with their own suggestions for such broadcasts. The C.B.C. has recently produced series like "The Engineer and the War" and "Citizens All" in collaboration with these organizations. But these suggestions, even when adopted, cannot be considered, by any length of the imagination, to be part of a consistent C.B.C. plan. It is a case rather of letting a lot of other people do the thinking for you.

Then to come back to what I was finishing this morning in my notes:—

This relinquishment of responsibility, this apparent inability on the part of the management to encourage the program staff to draw up a general plan for national information broadcasts or to have the board decide on a general war broadcasting policy, meant to me that an impasse in the development of the C.B.C. had been reached. So I resigned. I note that Mr. Murray in his formal statement on page 675 says I did good work and that he regretted my resignation. I too regretted that I had to resign because of untenable conditions.

In am not able to give detailed evidence concerning events after November, 1940. I do know, however, that following my departure shortly afterwards from Ottawa to do a special nine months' job on assignment from United Kingdom authorities with the Film Control Division and press departments of British Imperial Censorship, duties

which kept me in both Bermuda and New York, I received many personal letters from my former colleagues, from Mr. Bushnell, after his return from England, from Mr. Dilworth, the regional representative in British Columbia, from R. S. Lambert, then acting in an advisory capacity to Mr. Murray, and from other officials both on the national and French networks, saying that they agreed with many of the complaints I had levelled at the lack of policy, and that while as a direct result of my resignation, a few of these difficulties had been corrected by the management, many of them still remained. After I resigned, I may say, the decision was taken to reintroduce some definite forum and discussion broadcasts. Some of them put on, not as Citizens All had been in direct collaboration with another group, but on the C.B.Cs. own responsibility. In my letter of resignation I had complained about the cutting off of national forums. Mr. Murray incidentally has devoted two pages of evidence to an anonymous series called "Over the Top", which was presented in May, 1940. You will find his statement on page 719.

This series was presented and arranged by outside advisors without consultation with the program staff.

Now, I might say that I am not passing any judgment on the quality of the advice given. This morning I was not passing any judgment on the quality of George McCullough's broadcasts. These expressions frankly are not invidious references to outside advisers—I am referring to the policy that is concerned rather than to personalities.

This series "Over the Top" was, in addition, unique . . . in that the speakers in it were allowed to express, in two or three instances, particularly emphatic sentiments under the cloak of anonymity. Moreover, all details relating to the series except the general memorandum outlining the nature of the series, was placed at the time on a secret file at headquarters, a most unusual procedure, which in practice meant that no member of the program staff was supposed to have access to details. I do, however, remember most clearly that towards the end of May, 1940, after the talks had been on for four or five times, the office of the Prime Minister communicated with me, in my official capacity as supervisor of public affairs broadcasts and liaison officer with government departments, to ascertain under what principle and policy of the board of governors were these anonymous talks on national affairs being given. I did not know the answer but referred the inquiry to the general manager's office.

By Mr. Isnor:

Q. Who made the inquiry?—A. The office of the Prime Minister.

Q. You do not know who?—A. No, the two inquiries—I may say the two inquiries were separate and that they came from two different individuals in that office, but I mean they were two official inquiries. They were not personal inquiries in any sense.

The office of the Prime Minister asked me the next day, if they could get the text of talks in this series by a legionnaire and a professor (which I understood were required by regulations because of their content—I say I understand, but I know there was some leeway in the censorship regulations at the time so I do not want to make that any more than my understanding—

. . . to be submitted to the radio censor and kept on file). As they were on a secret file, I could not fill the request myself, so I passed the demand to the general manager's office, that same day. This was only one of many protests that came to me at that time.

By Mr. Slaght:

Q. You say this is one of the many protests?—A. Yes.

Q. Are you referring to what came from the office of the Prime Minister?—

A. No, no, I am sorry; the repeated inquiries from the office of the Prime Minister I have dealt with. These inquiries were only one of the many protests that came to me at that time—protests from individuals.

Q. I have not heard you suggest that any protest came from the office of the Prime Minister, merely an inquiry to get the data. Do you put it that it was a protest?—A. I can only say there was a very definite inquiry as to the talks which were being criticized. I cannot say the Prime Minister's office were criticizing; they may have received criticisms, that is under what principle of the board of governors program policy the talks were being presented.

Q. You did not put it that way before; you spoke of an inquiry in the matter. You did not use the word "protest" at all. If you want to use it now, of course you have a right to do so. If you are putting it as a protest I want to know the individual who protested.

Mr. COLDWELL: He modified that.

The WITNESS: I did not mean that as a protest. I might modify it.

By Mr. Slaght:

Q. You said so in your evidence. Perhaps you will withdraw that. You said it was one of many protests, now it is not a protest at all.

Mr. COLDWELL: Well, a very definite inquiry.

Mr. SLAGHT: An inquiry or information sought is very different, as my hon. friend would know, from a protest.

Mr. COLDWELL: Oh, yes.

By Mr. Slaght:

Q. If he means that the office protested, does he know the individual; but he is now withdrawing that as I understand it?—A. No, I do not wish to withdraw it, I wish to add to the remark I made. I will change it in this sense: they inquired to ascertain, because of protests they had heard, under what principle and policy of the Board of Governors were these anonymous talks in national affairs being given. That I remember distinctly—to ascertain the cause of protests which they had heard.

Q. You are using the plural "they"; who are they?—A. The office of the prime minister.

Q. That is a pretty big order. I suppose there are fifty officials in his office one way or another. Are you prepared to name somebody that you are saying protested to you?—A. No, frankly I am not, because this was in my official capacity as supervisor of public affairs broadcasts and liaison officer with government departments. Any communication made to me at that time was by somebody representing another department and making it as a formal communication, it was not a personal communication. It was from the office of the prime minister, if it had been from the Department of Transport, I would have said the office of the Department of Transport, and so on—it was not a personal inquiry in any sense.

Q. We cannot check that, if you leave it as the office. I want the name if you are prepared to give it, and we can find if their recollection agrees with yours or if it does not agree with yours; but the first way you put it to this committee had nothing to do with protests.

By Mr. Hansell:

Q. Was there a request by telephone?—A. I am sorry. If I gave the names of all the secretaries of the prime minister I would cover, perhaps, the

individuals who did communicate with me normally in my official capacity at different times, but if I were to give any one name for one of those sentences or any other name for the other one I would not necessarily be giving the correct name, because as this was not a personal inquiry any note I made at the time was merely that the office of the prime minister had so communicated. If I passed a memo on to the general manager's office it would have been, I assume, in that nature. Their files would show if I did mention the name.

By Mr. Slaughter:

Q. If I may, I will put this to you. You are telling us that a definite inquiry was made regarding this "Over the Top" series?—A. Yes.

Q. You are not confining it to a period of months when you may have talked to all the secretaries?—A. No.

Q. You first put it that they wanted information?—A. Yes.

Q. That was the purpose?—A. Yes.

Q. You then switched that to say that it was a protest, that they had heard complaints from others. I challenge you to tell me who said that?—A. I explained that I did not switch it to "protest". I said I would switch it to that they inquired to ascertain the cause of the protests they had heard, under what principle and policy it was given.

Q. Well, I invite you to tell me who said that, and then we can check it. If you do not want it, then you do not need to.

The WITNESS: Shall I go on?

The CHAIRMAN: Yes, go ahead.

The WITNESS: Mr. Murray says the series was merely suspended after this incident. It certainly appeared to the program department to be an emergency suspension, for not only were we forced at short notice to replace the series with a hurriedly prepared group of talks of an entirely different nature, but the original memorandum from the general manager outlining the nature of the broadcasts had listed eight or nine possible talks, including one by an anonymous police man and one by an anonymous civil servant. Mr. Chairman, bearing in mind the year and the date, and the official statements made at the time by the government, and as I remember it, later by the R.C.M.P., in an official communication to the press, statements which warned the public and the press against irresponsible individuals who might, by their speeches, stir up a fifth column scare without foundation concerning loyal non-English speaking minorities in our nation, I think, Mr. Chairman, bearing this background in mind, the committee might decide for itself after reading the manuscripts whether the talks by the legionnaire and by the professor were useful or not. That is why I am specifically stating that I know of no definite official protests. I would like to leave it to the committee to read those talks and decide. I suggest, moreover, that you ask for accurate copies of these broadcasts to be tabled here. I mean by that the corrected copies, with additions written in of those remarks which were not contained in the original scripts, but which were interpolated by the speakers at the time of the broadcast. You might also note whether these manuscripts bear the stamp of being passed by the censor or not. I think indeed it might be useful to have the Office of the Censor of Publications, under which the radio censor is, table any file he may have on this series. I notice that Mr. Murray, by way of explanation, read into the evidence portions of the introductions given by Colonel Bovey, and he mentioned the Norwegian speaker. I must say that there were never any inquiries voiced or any criticisms to me personally from anybody of Colonel Bovey's introduction or of the excellent Norwegian talks by anyone at any time. All the inquiries that I received officially and all the complaints I received unofficially, I repeat, were levelled at two of the other talks. Here again I think my criticism about

the absence of definite wartime policies, having been asked for by the general manager from the board, is valid. If the general manager had asked the Board of Governors to lay down a policy for such broadcasts, a revision of the published statement on controversial broadcasting of July, 1939, if he had indeed even suggested to them that they should follow the recommendations made by this committee in 1939, that there should be published statements by the board of policies and changes in policy—I am afraid I have not got the recommendation before me of the committee in 1939, so I cannot quote that actual recommendation—then, I am sure, no such untoward incident as this secret and veiled series could have occurred.

When one wishes to discuss such principles of policy, it is perhaps not irrelevant to refer to the talks by Mr. R. B. Farrell. The problem of his talks has certain special aspects which I do not think have yet been mentioned. The program department, as Mr. Murray has stated, and as Mr. Bushnell has agreed, on several occasions recommended against the continuation of this series on the grounds not of content at all but of quality of performance. In other words, it had mainly to do with certain qualities of voice, which are not personal references at all. Mr. Farrell, of course, is not being singled out, and has not been singled out, in any invidious sense by anyone. The same criticisms were put in concerning many other speakers who were not considered well-qualified for similar reasons. The conflict over Mr. Farrell because of the continuation of his series over a period of years has at times vitiated what normally should be the continuous good relationship between the C.B.C. program staff and the general manager. The most serious point of criticism concerning Mr. Farrell is, however, not the quality of his talks. A more serious criticism is that concerning special favours given him, favours which were not given to other broadcasters. The first favour was—and here I quote from Mr. Bushnell's evidence at page 830 where he states regarding Mr. Farrell, "I do not believe he rates the publicity that either he or his broadcasts are given. In this I am supported by a large majority of the program division." This publicity which he initially obtained, was the right to give away free copies of his talks, and to announce this fact to listeners. This favour was not accorded at that time to other more popular speakers then giving talks series. Talks were sometimes sold, I believe they were mimeographed sometimes and sold at ten cents apiece. But the practice was not to give them away in this generous fashion. Other publicity in the way of network announcements about his talks and so on was allowed him. All of which helped him to build up a listener response in a way which other speakers would have liked to have been able to do but were not allowed. I speak now of the period 1939-1940. I do not know whether similar favours have been extended to other speakers since.

Secondly, and even more important, about September, 1939, a new scheduling procedure to insure more flexibility for emergency broadcasts during wartime was adopted. This procedure meant that no prolonged series of talks by any one individual were, at least for the time being, to be scheduled. This was a ruling adopted by the program department. I remember it very well because I did not quite believe in the stringency of it at the time and voiced certain objections. This ruling entailed complete revision of the planning of the talks structure for the coming months, except for a series by A. L. Phelps of Winnipeg which had been planned long in advance for the coming winter. The program department started to cancel other planned or potential talks series by individuals. Many of our most popular broadcasters, such as Bruce Hutchinson, who is to-day acclaimed as the author of a recent best-selling book in Canada and Dan McCowan, the well-known naturalist, were not asked at that time to continue the previous series they had been giving for this reason. I know that about Hutchinson because that was my point of dissent. I thought his series was so popular that he should have been asked to give another one. I

could cite the names of other speakers whom we had been using at regular intervals for other series who were likewise affected by this ruling, but I give those two names because they were widely known as broadcasters at the time.

By Mr. Isnor:

Q. Mr. Bushnell said that Mr. Hutchinson was not available, if I remember rightly?—A. Yes. All right. I have some notes here. I did not mean to bring that up, but as you have asked me the question, I will. I know Mr. Hutchinson personally, and I had several talks with him at the time and later about why he did not broadcast. As for Bruce Hutchinson, he was such a hard-working craftsman that he told me he did not feel under this new ruling that he could respond to an invitation to give intermittent talks only, but that if at any time we wanted to give him a series again he would be willing to devote his energy towards the preparation of any talks to which proper continuity could be given. On the other hand, that was 1940. I assume that due to his heavy commitments now, he may not wish to do that now. But that is a different matter. This was 1940. This did happen in 1940 in regard to Bruce Hutchinson. As I say, I was not going to bring this up unless I was questioned because it refers to the office of Public Information. He certainly, however, was willing to do it in 1940; because, in fact, the Office of Public Information, finding that the C.B.C. were not using him, decided to take advantage of his services for a series themselves. Mr. Lash, accordingly, asked Bruce Hutchinson to do a group of talks on Wednesday nights in 1940, called, "Parliamentary Commentary". Hutchinson responded and the C.B.C. then gladly provided the time for these talks presented by the Office of Public Information. Mr. Murray agreed to the principle of flexibility of talks structure in wartime. Shortly after this ruling was adopted—and the ruling, I repeat, was meant to apply to anyone no matter how good his talks were—Mr. Murray insisted that an exception to the ruling he made for a series given by R. S. Lambert and R. B. Farrell. That, Mr. Chairman, is the gist of the complaint. You cannot treat Canadian talent in that way and then allow arbitrary exceptions to it. I think since the winter of 1939 and the spring of 1940 some modification of this stringent ruling against prolonged series by popular speakers has been made, but the principle of the complaint as regards the period I speak of still remains.

I am sorry I have not the references to the past talks structure. There is also one point there about the fact that we did carry forward a series planned for A. L. Phelps, which had been planned for some time ahead. I am not sure of the exact date that series did go on, but I know that this consideration applied. The series might have been in 1939 or 1940.

On page 674 of the evidence, Mr. Murray says, regarding Mr. Farrell, that the duties for which he paid his retaining fees at one time had to do with, and I quote, "relations with the press and the content of advertising programs and the handling of controversy." I do not know whether the head of the press and publicity division received notes about these reports, or whether Mr. Bushnell received notes about the report on advertising programs and on the handling of controversy for which he had some responsibility. He may have known that Mr. Farrell was working on this subject, but from my own experience I doubt it, for I was in charge in practice of the handling of controversy through forum and discussion broadcasts, and I must say it was not until reading this statement in the evidence that I ever had even the vaguest idea that Mr. Farrell was supposed to be making confidential reports to the general manager about my work, reports, which I am sure if he had been making to Mr. Bushnell, my immediate superior, Mr. Bushnell would have told me about.

By Mr. Slaght:

Q. Do you see any objection in that course?—A. I beg your pardon?

Q. Do you find objection to that course, that the general manager should ask for reports on the work of those in his employ?

Mr. COLDWELL: From someone outside?

Mr. SLAGHT: No, from someone inside.

The WITNESS: By an outsider, if the staff did not know that the outsider was making reports.

By Mr. Slaght:

Q. Well, from anybody, outside or inside. If he wants to keep an efficient organization, surely he has the right to secure confidential information as to how their work is going over with the public?—A. Not unless the reports eventually are referred to the people concerned, as to criticism. How can their work be corrected if they do not know the criticisms that are being made?

Q. Well, that is your viewpoint?—A. I admit that is my viewpoint. I am not objecting to the fact that this might have been done. It was apparent that there was no notification later on to the people concerned.

By Mr. Coldwell:

Q. Does it not savour of espionage within the corporation?—A. Well, I am sure I do not know.

Q. If officials do not know they are being reported upon?

Mr. CLAXTON: Does not that depend upon the purpose for which it is being done?

Mr. SLAGHT: Certainly.

Mr. COLDWELL: I think in handling any staff—and I have handled quite large staffs—that you do get reports from various sources on members of the staff. But surely it is the duty of the individual who receives those reports, if they are critical, to take up the criticisms with the individual concerned. It is useless to have criticism handed to you unless you are taking some steps to correct it.

By the Chairman:

Q. These may all have been reports of commendation.—A. I am not suggesting they were criticisms. Mr. Chairman, I am not suggesting that there is anything sinister in the least about this; I am just suggesting, after reading the evidence, that is what it appeared to me to be.

Q. All right. Let us go on.—A. This type of personal advisory duties which Mr. Farrell was engaged in as an outsider, not on the C.B.C. staff, seems to me therefore to have been done in great secrecy, in the form of a secret report. I am not suggesting necessarily they are secret; in fact, if they are not secret perhaps the committee could ask Mr. Murray to table the reports of Mr. Farrell so we can see exactly what he was doing.

Mr. SLAGHT: Nearly every big corporation in Canada has secret operators report to them on the integrity and efficiency of their staff in wartime.

Mr. COLDWELL: They must be competent operators, though.

The CHAIRMAN: Order, please. This is just opening up the conversation between you gentlemen again and I recommend you take Saturday and Sunday for that. Proceed, Mr. Buchanan.

Mrs. CASSELMAN: May I dare to remark that members of parliament do get a good deal of criticism that they do not know anything about?

The CHAIRMAN: Exactly. Proceed, Mr. Buchanan.

The WITNESS: I shall make only one mention of the Plaunt-Thompson report. It is not within my background of knowledge to discuss other details of those reports. But the reference that I must make is to that statement

in the report about the program and production department which reads, I quote, "According to reliable sources it has been virtually impossible to dismiss anyone in this department, however incompetent." Mr. Bushnell, I note at page 819, states he was consulted by Mr. Plaunt about the structure of the program department while Mr. Plaunt was preparing the details of his report. I notice elsewhere, however, that Mr. Murray has denied before this committee the truth of the information Mr. Plaunt obtained from responsible officers about the impossibility of dismissal. He says on page 543 of the evidence, in answer to a question from you, Mr. Chairman, and I quote his answer. "The information on which it was based is without foundation." Certainly in my own experience I do know that there was sufficient foundation. I remember that several of my colleagues in particular had great trouble in trying to utilize the services of a number of persons who were appointed to the program staff, who were what was popularly referred to in the organization as "cocktail party" appointments. The supervisors were asked to try these men and women out in various fields of work, and I remember my colleagues told me about their troubles in this connection. I do know that I had to try out one such individual myself, that I recommended against the use of his services after a prolonged period of experimentation, and that various other members of the staff put in similar recommendations later, after they had been asked to use him. I know that in spite of these recommendations he was never dismissed, at least during the time I was with the corporation.

This is no reflection on the program staff of the C.B.C.—which is, on the whole, full of good capable workers—whose friendship I value.

Another item relating to my past knowledge of the C.B.C. which deserves mention here concerns Mr. Murray's statements about Mr. R. S. Lambert and the co-ordination of school broadcasting throughout Canada, where Mr. Murray indicates that Mr. Lambert did the great bulk of negotiation in this respect. The basic plans and agreements for such co-ordination were laid down for the western provinces, Alberta, Saskatchewan, Manitoba and British Columbia, at meetings held in 1939-40, at which much of the inspiration came from Hon. Ivan Schultz, the Minister of Education for the province of Manitoba. The basic plans for similar co-ordination in the Maritime provinces were also laid down in 1939-40. The leading spirit there was Hon. Mr. Blakeney, the Minister of Education for New Brunswick. I know this because these developments came within my field of supervision. It would be a most grievous misunderstanding to forget to give generous credit to these provincial ministers and to their provincial educational experts, also to Mr. E. A. Corbett of Toronto, who prepared the initial report for Mr. Murray and the C.B.C. on the structure of provincial school broadcasting in Canada, and the possibilities for future co-ordination. The school broadcasts in British Columbia and Nova Scotia, by the way, were the models on which proposed expansion was based.

That finishes all references I have to items in the evidence that concern my letter of resignation. My only purpose in making this statement on the request of Dr. McCann and the committee has been to indicate that I resigned from the C.B.C. because of a lack of decisive wartime program planning, and that I attributed this lack to indecision on the part of the management and to the fact that the management did not have the Board of Governors draw up clear-cut principles of wartime policy for the guidance of the staff so that such a plan might have been made more efficient.

The CHAIRMAN: Does any member wish to question Mr. Buchanan with reference to his statement?

By Mr. Coldwell:

Q. I raised a question the other day that I should like to bring up, but I was called out for a few minutes and I was wondering if it came up while I was

out. Did you say anything about Mr. Mosley's broadcast? That took place I believe, at the time when you were supervisor, is that so?—A. Yes.

Q. Do you remember the incident? Did you read the evidence where I asked the question about the broadcast that was stopped?—A. Do you know what page it is on?

Q. I could not tell you. It just occurred to me now while you were talking about Mr. Farrell and Mr. Lambert, and the three were linked together in my mind.—A. I think I read it but I should like to refer to it again.

Mr. CLAXTON: He is mentioned on the very last page of one of the volumes, page 863.

Mr. COLDWELL: I think I can tell you what it was. I asked about the broadcast that was prepared by Mr. Moseley and which, as I understand it, was stopped.

The WITNESS: We found it here. It is on page 846. I shall make a reference to this statement, but I had better read it. I am quoting from Mr. Murray in which he speaks about some talks over the C.B.C. He says: "One of these included comment on the alignment of opinion in the United States about the war. In view of the very delicate situation—Canada being at war and the United States still at peace—it was my custom, and I think a right custom, to consult Dr. Skelton of External Affairs in an informal fashion on matters of this kind. Dr. Skelton in this case told me he thought that the views expressed in this particular talk would be of more advantage to the allied cause if expressed in the United States. I agreed with him that if expressed in Canada these views might not only be capitalized by hostile elements in the States, but also their expression on this side of the border might prejudice the continuance of the extraordinary valuable work Mr. Moseley was doing for our cause in the United States. So, as a matter of common sense, the talk was not broadcast in Canada—" Well, I do remember that episode because of the misunderstanding it created, more trouble, perhaps, than it should have at the time. This broadcast was scheduled at short notice, I should say, very short notice, within 24 hours or less of the actual scheduled time it was to go on; and about 4 o'clock of the afternoon that Mr. Moseley was to give his talk, 4 o'clock in the afternoon of the evening on which Mr. Moseley was to give his talk from CBO over the national network, the manager of the station telephoned me and asked me if I had seen the talk, the manuscript. I said no, because Mr. Murray had arranged the talk and I had not seen it; I did not know much about it. He said he would not put it on, on his own responsibility because he thought there were things in it, which if they were not against the censorship regulations, were such that for other reasons they might cause trouble. So I said if he felt that way I did not want to see the talk; it was not my duty; I was not the censor,—to send it to the radio censor. Shortly afterwards the radio censor called me up and said that he had communicated with Dr. O. D. Skelton and that he had received a letter by hand from Dr. Skelton—it was just before the radio broadcast, about 6 o'clock—giving him the same reasons which Mr. Murray has outlined in his evidence as to why the talk could not be broadcast. To formalize the communication, the radio censor sent me a letter telling me to put the talk off, and enclosing a copy of the relevant communication.

Now, the letter from Dr. Skelton had a misunderstanding in it. The letter said, as I recollect it, and have not the letter now because I did not take anything away from the C.B.C. files concerning program communications—the letter, as I remember, said, "I have not read other talks in this series," and that was an unfortunate misapprehension. Dr. Skelton apparently thought it was the same series as "Over the Top." It was not a series at all, but it happened to come on about a week after the last talk in the series "Over the Top." Now, that, as I say, is my specific recollection of that incident; but as the radio censor sent me at the time the communication enclosing copies of all communications

he had on the subject, I suggest if the committee wants the communications they must still be on the file on the subject of Mr. Moseley in the office of the radio censor. Don't take my word for it; if you wish to ask for the file, I imagine you will get it. I am just repeating what I remember reading in those communications.

Mr. SLAGHT: Is that all you wanted on Moseley?

Mr. COLDWELL: Yes.

By Mr. Slaght:

Q. I have just a few questions on this last matter of the discontinuance of Moseley. I want to see if I have this story, as you understand it, correctly.—A. Surely.

Q. The proposed talk to be made that night was submitted by somebody to Dr. Skelton?—A. By the radio censor.

Q. And he read it; Dr. Skelton read it?—A. Yes, that is what the copy of the letter sent to me said.

Q. And he wrote to the C.B.C.?—A. He wrote to the radio censor.

Q. And as a result of Dr. Skelton's view being that the talk was a dangerous one it was not made?—A. That is right.

Q. Don't you agree with that?—A. Oh, absolutely, but I was asked to look at that statement. I have no disagreement with Dr. Skelton, none. I never at any time saw the contents of the talk.

Q. You would not question Dr. Skelton's sincerity or judgment?—A. Not at all.

Mr. COLDWELL: Nobody has.

Mr. SLAGHT: Then what are we troubling with this incident for?

Mr. COLDWELL: The reason that the question was asked was because there are three commentators who have been discussed and Mr. Moseley is one of them and this is one of the incidents referred to and I wanted to get the truth of it. As a member of this committee I think I am entitled to get the truth.

The WITNESS: It is only a minor disparity in Mr. Murray's evidence.

Mr. SLAGHT: It looks like a grievous waste of time.

By Mr. Slaght:

Q. Now then, you used an expression a few minutes ago that several of your colleagues had trouble in doing so and so and you referred to certain employees in the service as cocktail party appointments?—A. I just say it was a term that was commonly used in the corporation at the time. It is not a personal term to me.

Q. Did you invent that phrase?—A. No, no. It was a term that was in use at times by people referring to them.

Q. You said in the service we referred to these men as cocktail party appointments. I am wondering who is the author of that little phrase?—A. As I said, it was a term popularly used in the organization and like most of those slang phrases it probably comes from the States but is used in conversation referring to all manner of things at times. It has no particular reference and was not an invention of the C.B.C. at all.

Q. I just want to get this....—A. It is a modern slang phrase.

Q. Were you one of the employees who used that phrase? I do not think it is very opprobrious but I am just wondering whether in introducing it to this committee as a common thing used about employees under Mr. Murray that phrase was used about certain appointments that you people did not like and did you use that phrase at times?—A. I cannot recollect that I made use of it. I just remember it as a phrase of comment on certain appointments.

Q. Supposing Mr. Murray had heard that you had used that phrase about an appointment he made that it was a cocktail party appointment do you think he would have fired you instanter? I might say I would have if I heard you say that about me. Don't you think he would?—A. I said in the particular case referred to I made certain complaints about an individual, and I was not discharged or reprimanded for making complaints about him.

Q. You are not able to tell us that you did not yourself use that and you have told us that you disliked the retention of these men in the service. If you were going around with others behind Mr. Murray's back and using those words that they were cocktail party appointees don't you think you were disloyal to your chief, instead of going to him about it?—A. When I was asked to use the man and report on him I was not asked to report to Mr. Murray. I was not supposed to. I was supposed to report to my immediate superior.

Q. You are not answering my question at all. You introduced this topic yourself or I would not have bothered with it but there was current in the service amongst you and some of your colleagues a reference to those you did not like and who were retained as being cocktail party appointees. You say you don't know whether you used it. You cannot tell us you did not use it. If you did and that came to Mr. Murray's ear do you not think he would be justified in discharging you, instead of your going to him and voicing your complaints to your chief, pedalling that sort of talk behind his back along with other sub-employees?—A. I don't think I can say I ever did such a thing. I made complaints which may have been of that nature.

Q. I invited you to say that you did not use those words and I understood you to tell me you could not say that you might not have used them?

Mr. COLDWELL: Of course, if we are going to talk about cocktail parties I can ask some questions as to why this term was applied in the C.B.C. in connection with some people.

Mr. SLAGHT: You can ask anything you like, but I am interested in seeing whether behind the general manager's back this gentleman and others were using terms of that kind regarding his employees and their fellow-employees without going in a manly way to the general manager and voicing their complaints in good plain English without slurring innuendos.

The WITNESS: I may say then I made official complaints to my superior after I had tried to use one man in particular, and that I am almost certain—not officially, because my official complaints were supposed to be referred to my immediate superior—but unofficially in conversation I have told Mr. Murray when I have been an employee of his that I was perturbed by one or two people who were employed and I do not remember that any frank criticism of mine of that nature was taken in any bad sense by him or that it had any effect.

Mr. SLAGHT: That is very fair.

By the Chairman:

Q. Were those complaints as to inefficiency or as to the manner of the appointments?—A. Frankly they were complaints as to inefficiency.

By Mr. Slaght:

Q. I just have one or two more questions. You have given us a good deal of complaint regarding certain aspects of the series called "Over the Top". Do I understand you to say you have no criticism of Colonel Bovey and his efficiency?—A. Absolutely none.

Q. That clears that up because I may point out to you then that in connection with that series Mr. Murray, or whoever engineered it, took the trouble to have Colonel Bovey—I am reading from page 719, "He not only helped in

selecting the speakers but he also gave an introduction to each of the talks?"—
A. Yes.

Q. So if the speakers did not suit you you were in conflict with Colonel Bovey on their selection inasmuch as he helped select them. Would that be the position?—A. I specifically said as far as I know the only serious complaints were made about things that Colonel Bovey did not know about himself. They were interpolated remarks which were not in the original manuscript. That absolves Colonel Bovey of any responsibility.

Q. You were good enough to give Mr. Farrell a clean bill of health so far as the contents of his broadcasts are concerned?—A. Yes, certainly.

Q. You did not like the quality of his voice perhaps like Mr. Coldwell does not like it. Is that your sole complaint against Mr. Farrell that the quality of his voice isn't pleasant to your audition?—A. No. I carefully stated that was the original reason brought up by the program staff for not wanting to continue his series. Then I went on and outlined two more serious criticisms which had nothing to do with whether he was a good broadcaster or not. If he was the most popular broadcaster on our network it still would have applied. He was given certain favours which other broadcasters—I am not saying whether equally popular or less popular or more popular—were not given or not allowed to be given, and in the third place when we were asked to enforce the ruling which had been drawn up for the purpose of wartime flexibility about discontinuance of prolonged talks series by one man Mr. Murray asked that an exception be made for R. B. Farrell which caused some dissension at the time.

Q. A pretty serious attack on Mr. Farrell has been made here at one time and another—A. I will preface it by saying it was not a personal attack.

Q. I am not saying by you. We have heard of him before.

Mr. COLDWELL: I made some criticism here. I want it to be distinctly known I have made no personal attack on Mr. Farrell. What I have done is purely from an objective point of view.

Mr. SLAGHT: I happened to be here, Mr. Chairman, and I heard the hon. member dub Mr. Farrell as a sort of buttonholer.

Mr. COLDWELL: Yes.

Mr. SLAGHT: Did you mean that as complimentary?

Mr. COLDWELL: I would say this that I have reason—and I think probably other members of this committee have reason—to know that Mr. Farrell is a lobbyist for the general manager.

Mr. FARRELL: That isn't true.

The CHAIRMAN: Order.

Mr. COLDWELL: I have been lobbied and I feel certain other members of the committee have been lobbied by Mr. Farrell.

Mr. SLAGHT: You have called him a buttonholer.

The CHAIRMAN: Order, please; there will be occasion for the committee in camera to discuss these matters. Kindly confine your examination to the witness who is presented before you.

Mr. SLAGHT: I am sorry, Mr. Chairman. I was addressing the witness when my friend interrupted me.

By Mr. Slaght:

Q. I was saying to you, witness, that there have been serious attacks on Mr. Farrell, and I take it that the tone of his voice isn't all you have against Mr. Farrell. You would not blame Mr. Farrell if he was able to receive favours that the others did not get? You do not put that against him as a man?—A. No. I say for certain reasons his talks resulted in dissension at times with

reference to his series between the program staff and the general manager, and that has no reference personally to Mr. Farrell.

Q. And no reflection?—A. No reflection, no.

Q. My friend, Mr. Claxton, suggests that you have quarrelled with the quality of the broadcast aside from the voice. Are you?—A. Just the voice quality.

Q. We perhaps can judge that as well as these gentlemen. I think we have exhausted the matter of the office of the Prime Minister. We have got to leave that in the impersonal way you put it. I think that is all I have.

The CHAIRMAN: Any further questions?

By Mrs. Casselman:

Q. I just wanted to ask this one question, Mr. Chairman. I understand one of the reasons for the difference or disagreement or complaint or whatever you call it was that there were few wartime talks in the early days of the war, and I think Mr. Buchanan said they got 4½ hours from the B.B.C. Were those wartime talks?—A. Oh yes, I explained they were.

Q. Were they suitable for our network?—A. I did not object in any way. I objected to the lack of balance in time, 4½ hours you recollect, for six week nights and a quarter of an hour for Canadian originations.

Q. Your objection was then that we could have had as good talks from the Canadian sources as we got from the B.B.C.?—A. No. I am suggesting that proper balance could have been maintained. We could have taken the best B.B.C. talks, probably shortened the 4½ hours to 2 hours on week nights all told and had 2 hours or so of Canadian discussion programs, Canadian newsreel, or something.

Q. Because as far as I heard any comment at that time people were very glad to get the B.B.C. talks and really, whether it is a criticism of our own Canadian talks or not, they preferred the B.B.C. and would give the C.B.C. a higher score on that account. I don't know whether that would be the same opinion as the others have or not.

By the Chairman:

Q. Did you make that criticism and recommendation at the time or is it in the light of what has happened since that time? It is very easy to review a situation and go back a few years and see in almost every department there were things that we did not do which might have been done but did not occur to people in the early stages of the war, and I think that applies to the programs of the C.B.C. equally as well as it does to many other departments, and what I want to know from the witness is whether or not he made such recommendation at that particular time?—A. I think you will find it in my previous statement in two ways. I wrote that article of mine, written I would say immediately after my resignation, a week afterwards, and I outlined what was fresh in my mind and there I said that I thought there were some very good things about these B.B.C. broadcasts. That was one point, that we did not have anything similar that we were originating and I wished we had. I also said that previously I had gone to great trouble in working out and arranging a series called "Aspects of the War" which was a program with representatives of different groups of racial origins that were not Anglo-Saxon.

Q. Your criticism would be at that time it was a matter of misjudgment on the part of the management that they did not follow that particular course?—A. No, I do not say misjudgment.

Q. Your criticism would be that at that time it was a matter of misjudgment on the part of the management that they had not followed that particular course?—A. No, I do not say misjudgment. I say because apparently of a lack of any consistent plan to develop an equally widespread and valid group of

war talks and programs as the B.B.C. had—because of the lack of that plan, we were putting on all the B.B.C. talks instead of Canadian ones, and when I tried to get over an extended period a series called Aspects of the War, it finally had to be transferred to a regional network in part and postponed in part because the time was wanted for B.B.C. talks. I had a most heated discussion at the time with the acting supervisor of programs over the order to take off the Canadian series. Those were not arguments with Mr. Murray, because at the time this discussion took place I was at a national program meeting. They explained they had these commitments, they had made the commitments to take all these B.B.C. programs and they were sorry they could not find a place in the schedule (because there were so many hours taken by commercials at the time) for the Canadian series which had been begun and had to be taken off the national network. I certainly voiced my complaint.

Mrs. CASSELMAN: I want to put on record as far as I am concerned, and as far as my friends are concerned, that we appreciated the B.B.C. talks, and as far as those listeners were concerned they would not have called that adverse criticism of the program department of the C.B.C.

Mr. Ross: When was it that those discussions took place?

The WITNESS: Oh, it would have been in the period of July, August and September, 1940; I have no specific dates.

By Mr. Claxton:

Q. Your resignation is dated the 23rd of November, 1940?—A. Yes.

Q. Prior to putting in your resignation had you made determined efforts to bring about a change along the line of the suggestions contained in your letter?—A. I had that summer and early autumn, and I think perhaps I may have been instrumental in getting something done in the way of the extended collaboration of the C.B.C. with the Canadian Association of Adult Education, but that was not my point. I wanted such a series to be put on by the C.B.C. itself, and as a second-best I was willing to see them put on with some of the responsibilities, and in some cases the major responsibility shared with outside groups; but that was as far as I was able to get in my efforts. I am not talking of any one definite discussion, I am talking of a long period not specific programs. I had a certain point of view which was not taken as the action of the corporation, and after a period of a great number of months it added up to a considerable total which convinced me of the untenability of the situation; but there was no final culminating discussion about it, it was purely making up my own mind over a series of incidents.

By Mr. Slaght:

Q. There was a matter I overlooked. You will set me right on the dates and facts. In May, 1940, you were operating in your official capacity?—A. Yes.

Q. And prior to that, or about that time, had you initiated those talks called the forum talks?—A. Before the war, yes.

Q. I beg your pardon?—A. Before the war began, yes.

Q. I am speaking of 1940, were there any forum talks in the spring of 1940?—A. My memory is that the forum series was discontinued except for a few that were labelled non-controversial which were put on especially. I cannot give you the exact number, but it was certainly a change of policy.

Q. Perhaps I have not got the right term, but I have in mind a talk where two university professors or a university professor and another man would have a dialogue and one would ask this and the other that and they would carry out a talk by way of dialogue. Did you handle that sort of thing?—A. Well, I will refer to that. I have been talking purely, let me say, about the policy involved in terms of the national network for the whole of Canada. I was

allowed to continue to present controversial broadcasts on a western network only as long as they were not heard in eastern Canada.

Q. I see. Would you select the professor on one side and the business man on the other to have this dialogue?—A. No, only in the sense that the regional representatives out west would help select them along with the people producing the program on our staff, but decisions on the names of the speakers and the subjects to be discussed were in each case referred to Ottawa, passed by me and referred also to the general manager, as a general list.

Q. I gathered—tell me if I am wrong—that the general manager gave directions to stop those forum— —A. On the national network.

Q. And you make some complaint; you think he ought to have allowed it to go on?—A. If it could, on the western network, yes.

Q. What interested me—and I do not often quote this gentleman, but I think he is dealing with what we are now discussing—the Hon. Mr. Meighen in the Senate on May 21, 1940, at page 15 of Senate debates said:—

A public man in Canada could not broadcast loyal words favouring defence for us and the empire unless someone else, probably a semi-pink professor, was subsidized to traduce Great Britain, to tell the people of Canada that Britain was a traitor to democracy, and that the United States would soon be taking over leadership of democracy throughout the world.

Mr. Meighen is a virile linguist, and that is pretty strong language, but apparently he was speaking of what he called semi-pink professors who carried out dialogue and went too far in his judgment the other way. Have you any comment to make on that?—A. Well, of course, I assume you have read the stated policy of the Board of Governors in July, 1939, on controversial broadcasting. It is stated that controversy should be conducted with a type of balance: if you have extreme views on one side there should be extreme views on the other. That was the stated policy with regard to controversial broadcasting.

By Mr. Coldwell:

Q. Was Mr. Meighen ever invited or was he ever refused the privilege of speaking over the broadcasting system?—A. He never was refused, no.

Q. Was he invited?—A. I would not call it a refusal—I wish I could remember exactly which series it is, but it has something to do with the episode of various broadcasts given the war policy, either following George McCullough or about that time; it may have to do with one particular broadcast, either in that series or by some public man, and Mr. Meighen wrote some letter of comment—say comment—my recollection is that it was critical comment, and his criticism was noted, as I remember, and he was asked to do a talk, by the general manager.

Q. Was that when you were supervisor?—A. Yes. I have seen a copy because it was sent to us to see whether we were prepared to put such things in a schedule. He was asked to do a talk on Shakespeare and he wrote back and said—I don't know exactly what he said—I do not recall—but he refused emphatically to do the talk on Shakespeare and said his comments had not been answered.

Q. I know of few persons more competent to do a talk on Shakespeare than Mr. Meighen.

The CHAIRMAN: That talk has since been given.

The WITNESS: I mean, these references were not to that at all, literary programs. They had something to do with war programs.

Mr. COLDWELL: What I was thinking of was—it came subsequently, of course—when Mr. Meighen was speaking, I think, in Toronto and the C.B.C.

broadcast a portion of his address. I think that a number of people received a mimeographed copy of the letter of protest he had written to the corporation. I must say that I rather sympathized with Mr. Meighen in that respect. A man whose speech is to be rebroadcast, and is to be cut, ought to be consulted, I think, about what is left of the speech to go over the air. I sympathize with him in that respect.

By Mr. Slaght:

Q. The reason I brought that forward was this. I gathered that part of our young friend's complaint against Mr. Murray is that Mr. Murray curtailed these talks where professors who were selected or approved by him took part. There came a time when Mr. Murray stepped in and curtailed those?—A. On the national network only.

Q. Yes. And you thought they ought to have been continued?—A. No. I am saying that the gist of my criticism is that a definite revised policy should have been drawn up.

Q. I see.—A. That there should not be arbitrary distinctions. You should not have an *ad hoc* arrangement that applies that way over the western network and not to the national network. There was a statement of policy with respect to controversial broadcasting published by the Board of Governors. It was widely distributed and known to all people. In fact it was given to people before the war and to people who like Mr. Meighen made complaints.

Q. I only referred to this because it seemed to me—and I think I am right—that Mr. Meighen gave us the idea that he was in Mr. Murray's corner and not in yours on the matter of these professors. Perhaps the language is too strong.

Mr. COLDWELL: I have always understood Mr. Murray to take the viewpoint—which I think is the correct one—that if you have an extreme position taken by one side, you should have an equally extreme position taken on the other side, in order to keep the balance. I think that is the policy of the corporation. Somebody who is semi-pink is not far out sometimes.

Mr. SLAGHT: My hon. friend would not disagree with Mr. Meighen, surely.

Mr. COLDWELL: I am afraid some people might consider I have agreed with Mr. Meighen a little too much this afternoon.

Mr. SLAGHT: I am afraid I have lost the place for the moment.

Mrs. CASSELMAN: May 15, 1940.

Mr. SLAGHT: No, May 20, 1940. Oh, yes; what Mr. Meighen was objecting to was going over to the far end of the pendulum. He complained, "A public man in Canada could not broadcast loyal words favouring defence for us and the Empire unless someone else, probably a semi-pink professor, was subsidized to traduce Great Britain, to tell the people of Canada that Britain was a traitor to democracy, and that the United States would soon be taking over leadership of democracy throughout the world." Surely no one would want to set a man up at the far end of the pendulum to talk that sort of stuff early in the war, in May, 1940. That is my point. I agree with Mr. Meighen for once.

Mr. COLDWELL: As a good lawyer, Mr. Slaght knows that Mr. Meighen produced no evidence to show that that had ever been done. Let us bear in mind the fact that if there are people on the left, Mr. Meighen is far, far to the right; so far to the right, in fact, that just now he is likely to meet those on the extreme left.

The CHAIRMAN: Are you finished with Mr. Buchanan?

By Mr. Isnor:

Q. No. Mr. Buchanan, in your evidence you referred to broadcasts from camps?—A. Yes.

Q. I took it from the way you worded it as though you were critical in an adverse manner?—A. No. I was giving evidence from that article which begins with "constructively considered" the following things were done. I am giving that as a constructive expression of where good things were being done by the C.B.C.

Q. And that is one of the good things?—A. The only criticism is about what was not done. I have no criticism about what was done.

Q. You approved of those broadcasts from camps?—A. Certainly. I approved of everything that was done. My criticism was about what was not done.

Q. I thought it was other way.—A. The only thing which was done which I mention there was some criticism on was that at a particular period there was only one-quarter hour allowed for Canadian origination, and that was Mr. Farrell. The program department did criticize that.

The CHAIRMAN: Are there any further questions?

By Mr. Ross:

Q. I have one question on the question of policy. Do you blame the general manager from this point of view? In the early days of the war things were changing very rapidly. You suggested that the Board of Governors should have made some definite policy. Would it not be impossible for the Board of Governors to lay down a policy today that might not have to be changed tomorrow? Would you not have to have the Board of Governors sitting here all the time, every two weeks, in order to get something like that laid down?—A. No, I don't think so.

Q. I will just go a little further. In the interests of Canada, did not the C.B.C. have to be guided, to a great extent, by the government of the country as to the nature of the broadcasts which went out?—A. Yes. That is what I am suggesting. That is why I have asked that this committee have the two broadcasts in the series "Over the Top" tabled so they can read them and see whether the C.B.C. was attempting to keep in line with changes in government policy or not. I have made a criticism there.

Q. Mr. Murray explained that he had consulted Mr. Howe, the minister, four times a week or so; and also that he was in constant touch, I understand, with the chairman of the Board of Governors and also the vice-chairman of the Board of Governors at that time.

Mr. SLAGHT: Perhaps he did not know that.

The WITNESS: In my letter of resignation I stated it appeared to me that apparently they were unilateral decisions of the general manager, and in my evidence today I simply mentioned that Mr. Nathanson stated that that was true. I had not had any confirmation before. It had only been my opinion.

By Mr. Ross:

Q. There is one more point I should like to make about that. The question of policy then cannot be blamed on the general manager. It has to be blamed, to my mind, on the policy of the government, and the Board of Governors, if you like; for the Board of Governors have to take their instructions, in a crisis such as we had at that time, to a certain extent from the government. Therefore I do not think that any blame should be attached to the general manager for no doubt carrying out the policy which he was instructed to carry out by the government of this country.—A. I have never had any indication that he was instructed to do so by the government. I mean, I would not have had these complaints if I had known that to be the case on all those issues.

By Mr. Slaght:

Q. Perhaps to be fair to Mr. Buchanan, I should ask him this. Were you aware, until you heard Mr. Ross tell you just now, that Mr. Murray, during that

critical period, for weeks was in contact with the Board of Governors by long distance frequently and with Mr. Howe several times a week? Were you aware of that when you made your criticism?—A. Not exactly. As I said, when I made that criticism in my letter of resignation, I qualified it by indicating I never did know definitely whether he had asked the board for a definition of the policy.

Q. You did not know?—A. To-day I said Mr. Nathanson had confirmed my expression of opinion by saying that Mr. Murray had not asked for a decision of policy as to the George McCullough talks. I am only bringing it up as a confirmation.

Mr. ISNOR: Are we going to hear from Mr. Baldwin?

The CHAIRMAN: If we get through with Mr. Buchanan.

By Mr. Ross:

Q. You say here in your letter, "I felt strongly that you were pursuing an unwise course, one that I considered created cleavage between the policy of the dominion government and the policy of the broadcasting authority". That is pretty definite that he did not know that Major Murray was in constant communication with the government and the Board of Governors.—A. Well, even from reading what I have of the evidence I see nothing—I mean, in my opinion I see no proof of that. There has been some discussion in Mr. Pickering's evidence about the constitutional position. Every time that comes up, it is stated that the Board of Governors retained their powers, that they exercised full control over policy. When letters of complaint are written to government offices, the C.B.C. in return gets copies of the letters from the government stating that they do not interfere with C.B.C. policy, that policy and programs are decided only by the Board of Governors. I admit there have been a great many different statements given to this committee on that issue, but the fact that there are differences in the statements does not make me believe one statement in preference to the other.

By Mr. Slaght:

Q. Putting it this way, would you suggest now, in the light of past events, that the Board of Governors should come from all over Canada and should have met here on the 10th or 11th of September when we declared war and laid down in writing a hard and fast policy to be followed for the next two months and then depart and leave that on the table with the general manager, or would you think it better if he communicated with them by long distance from time to time or as many of them as he could get in close touch with or with the government each week; would they not do a better job that way than by being faced with ten commandments as to how you ought to run things and have changes from week to week of the war. I just feel that is the better way and I think you would too, would you not?—A. No; I am not making any references to that particular period; the only possible reference to that period is the George McCullough series in which I said I think that some definite proposition should have been made as to policy either by the government or by the Board of Governors. And I say I have never seen any proof that was done; it may have been, but I have never seen any proof.

Q. Is that not a pretty empty criticism after you have read, as I think you said, the McCullough broadcasts and said they were pretty good stuff?—A. No, I do not think I said they were pretty good stuff. I was not making any remarks one way or the other on the text.

Q. We have the McCullough broadcasts before us, I understand. I thought they were pretty good.

The CHAIRMAN: Thank you, Mr. Buchanan. Is it the wish of the committee that we call Mr. Baldwin?

Mr. H. BALDWIN, recalled:

By the Chairman:

Q. Mr. Baldwin, you know pretty well what the committee have requested with reference to certain vouchers of proof of payment with reference to two sums, I think, of approximately \$1,000 each. And if you have those vouchers before you I wish you would present them to the committee.—A. Mr. Chairman, Mrs. Casselman and gentlemen, during the lunch interval I read through the printer's copy of the evidence of yesterday and with your permission I should like to read the comments that I have made after reading that over.

By Mr. Coldwell:

Q. Have you brought the documents that we asked for with you?—A. Yes, I brought them—I brought it; it amounts to one, and it will come out in what I have right here.

Q. We were given to understand that the expenditures were covered by vouchers or chits.—A. It was only the ones that were referred to in the evidence yesterday that I brought, that is one of \$1,003, and there were three others which were withdrawn, if you remember. They are not available. I have not got these; I have only the one.

Q. We will have the statement.—A. I think it will be made quite clear here. May I say that the page reference I have here is the reference which appears in pencil on the printer's copy of this evidence. I am now quoting from page 45 of the printer's copy; the witness says:—

The situation as I was advised by the treasurer was that the general manager had spent over \$1,000 in the fiscal year ending March 31, 1939, for "intelligent service."

My comment is: The moneys covering this expenditure were advanced to Mr. Murray over a period of months. They were recorded in exactly the same way as any other advance on expenses made to him from time to time. That the voucher given contains the words "Special expenditures made for services in obtaining statistical and other information relative to C.B.C. coverage and public reaction" does not differentiate it from any other voucher for expenses away from base, beyond the fact that it gives more detailed information than some of the other vouchers.

On page 46 the witness says:—

The expenditures in question had not been submitted through any of the departments nor had they been paid through any of the departments; that the amount was over and above salary, allowances for entertainment at base, travelling expense, per diem allowance when absent from Ottawa, special duty entertainment while away from base, incidental and office expense while away from base. I was told that there was no specific budget provision and so far as could be learned, there was no board authorization for an expenditure of this type.

My comment is: There was no more reason why this voucher should have been submitted through a department or covered by a budget provision or a board authorization than for any of the other and less specifically described expenditures made away from base. No procedure was violated.

On page 46 the witness says:—

I was told the legal representative for the Auditor General had brought these expenses to the attention of the Audit Office and that the C.B.C.'s file on the subject when returned to the corporation bore the annotation "noted."

My comment is: The voucher was evidently satisfactory to the Auditor General. That is the voucher I submit here.

The CHAIRMAN: The voucher here is in this form:

(Copy of original tabled)

“CANADIAN BROADCASTING CORPORATION

March 15th, 1939.

To Gladstone Murray, Esq. Dr.
For the following expenses incurred in connection with
Date Particulars Voucher No. Amount
Special expenditures made for services in obtaining statistical and
other information relative to CBC coverage and public reaction \$1,003.00
I certify that the above statement is correct, that the articles have been received or the
services performed, that the prices are fair and just and that the whole expenditure was
incurred on Canadian Broadcasting Corporation business.
Approved
Authorized (Sgd.)

GLADSTONE MURRAY”

Then there is a stamp on here which says, initial here, the amount, the date,
payment authorized. I presume these are—

The WITNESS: My initials.

The CHAIRMAN: H.B. And there are three or four initials. Now, the details
of that amount are:—

“Intelligence Service Expense Sheets

Jan. 6	Friday, Toronto	\$ 75.00	
Jan. 12	Thursday, Toronto	90.00	
Jan. 13	Friday, Montreal	70.00	
Jan. 24	Tuesday, Toronto	60.00	
Feb. 1	Wednesday, Toronto	50.00	
Feb. 2	Thursday, Toronto	80.00	
Feb. 7	Tuesday, Toronto	75.00	
Feb. 8	Wednesday, Toronto	25.00	
Feb. 17	Friday, Montreal	78.00	
			\$ 603.00
Mar. 1	Wednesday, Ottawa	\$ 75.00	
Mar. 3	Friday, Ottawa	85.00	
Mar. 7	Tuesday, Ottawa	90.00	
Mar. 10	Friday, Ottawa	75.00	
Mar. 12	Sunday, Ottawa	75.00	
			\$ 400.00
			\$1,003.00”

Mr. COLDWELL: What period does that cover?

The CHAIRMAN: The account is dated March 15, 1939. I presume it was
January, February and March, 1939.

The WITNESS: 1939.

By Mr. Coldwell:

Q. I was going to ask you this, these payments would be in addition to the
\$20 a day per diem allowance?—A. Yes, sir.

Q. Over and above travelling expenses?—A. Yes, sir.

Q. Let me ask you this question. They had no relation to how much was
paid at the base at that time?—A. No, sir.

Q. What was the the base allowance at that time?—A. The base allowance
at that time was \$2,000.

Q. That is in Ottawa?—A. Later it was changed to \$4,800.

Q. You said this contained more information than other vouchers of a
similar sort?—A. Yes, sir.

Q. What other vouchers are there of a similar sort?—A. Mr. Murray’s
vouchers for expenses away from base. I said that there seems to have been a
suggestion that this was an unusual kind of voucher. I only say it is unusual
in so much as it gives rather more information than less information than
other vouchers away from base.

Q. That is in addition to the \$20 a day away from home?—A. Oh yes,
quite.

Q. What are those expenses? What are they for?—A. He is entirely
accountable for that.

Q. Pardon?—A. Mr. Murray would have to say that. I do not go beyond
his voucher.

Q. There is no check on that?—A. No, sir.

The CHAIRMAN: I forgot to say to the committee there is a notation here on this account which says—it is of some significance—"charge to unallotted".

The WITNESS: "Unallocated."

By Mr. Coldwell:

Q. What does that mean?—A. Again I have dealt with that all in the rest of the submission but I can do so there.

The CHAIRMAN: Yes.

The WITNESS: Well, also in the evidence comment was made that there was no special budget item for it and that it was not specifically referred to the head of the department. As I have said, it was not necessary that it should be submitted to the head of the department. These expenses away from base never were. A good many other expenses never were.

By Mr. Coldwell:

Q. What year was that?—A. 1939.

Q. What did vouchers of this type amount to for 1939?—A. I think it was some \$1,300 or \$1,400. It was \$1,342.89.

Q. Most of it was spent in those two months?—A. Yes.

Mr. SLAGHT: Something was said about intelligence service. Was that in connection with these items?

Mr. COLDWELL: Is this for statistical or intelligence service?

The CHAIRMAN: Intelligence service.

The WITNESS: The title was, "Special expenditures made for services in obtaining statistical and other information relative to C.B.C. coverage and public re-action."

By Mr. Coldwell:

Q. That was the title of the whole expenditure?—A. That was the title of the whole expenditure.

The CHAIRMAN: Just a moment; according to the evidence yesterday:

"The general manager had spent over \$1,000 in the fiscal year ending March 31, 1939, for intelligence service. This was declared by the general manager according to the treasurer to have been used in securing information about plans hostile to public service broadcasting."

Is that the one you are dealing with?

By Mr. Coldwell:

Q. Is that the one we are dealing with?—A. No, sir. It is the one at the end.

By the Chairman:

Q. You are dealing with the second one first?—A. I am dealing with the \$1,000 credited at the end of March, the 31st of March, 1939. It is the one you have got in your hand there.

Q. Listen.

A short time later the treasurer informed me that the general manager had submitted an account in the three months from April to June, 1939, to a total of approximately \$1,000, that the explanation that accompanied these items was to the effect that they were special expenses made for services in auditing statistical and other information.

That is the one you are dealing with now?—A. We are dealing with the first one, sir.

By Mr. Coldwell:

Q. The second one there is the one that Mr. Pickering said, as I understood him yesterday, had not been paid?—A. That is quite true. It is not quite fair to leave it like that. Again, if I may go on with the statement, you have

to consider the thing as a whole. These were not actual payments for that voucher or any other voucher. What actually happened was that over a period of months Mr. Murray would get advances on account of his expenses, and as I said in my evidence the other day when we could get him or get hold of his secretary or somebody who was familiar with his movements we then made up an account so it cannot be exactly said this was paid to him for this specific voucher. In other words, he built up a big debit over a period of months and when we got the vouchers they were credited in the records, so you can hardly earmark one payment against any particular service. To return to this one here, the \$1,003 was credited to him towards the end of March, 1939, the period at which we close the books, but that covered a great many advances in the course of the previous months. He would get \$500 one time, \$700 another time, \$300 another time. That will all be debited to him. This was just one of the vouchers which would have been credited to him. He would have had credit at \$10 a day for hotel expenses and he would have credits if he bought his actual railway ticket, which he did not often do. He would have a credit for that, and he would have a credit at that time of \$10 a day for his other travelling expenses, so that this was a running account. It was not a matter of giving him \$1,000 and taking a voucher from him at all. That is the best explanation I can give of that.

Q. How much of this was spent for statistical purposes?—A. I have no idea. I cannot give any account of the vouchers as such.

The CHAIRMAN: It specifically states that the \$1,003 was for statistical service. There is no mistake about that. We cannot juggle these things around from one to another. Let us deal with one at a time. Here is an account that was paid of \$1,003 which states specifically it was for statistical service, and it was to the end of the fiscal year 1939. The other account had to do with the next fiscal year.

Mr. COLDWELL: Yes.

By Mr. Coldwell:

Q. That was paid for statistical service to certain people, certain individuals or organizations. Where are the receipts for the amounts that were paid out in that way?—A. Those are the only vouchers I have received.

Mr. SLAGHT: They do not require him to furnish receipts, and as I understand it—I heard some language like this—these moneys were used in part to secure information as to reaction of the public in connection with an attack upon the C.B.C., and it sounds to me very much like intelligence service where large corporations frequently grant sums of money to executives, either naming them in advance or approving the expenditures when they are made for special intelligence service which is of a delicate character. The money goes to places where ordinarily they are not vouched. If it is thought to be loose practice and we ought to have the appended vouchers from the people he pays the moneys to, that is a matter of criticism of the board and the way things were done at that time and not particularly of Mr. Murray except he was the party who carried it out. If there is any suggestion of dishonesty about it or that the moneys were not spent that is another matter but I do not understand that there is. Perhaps the auditor would throw some light on this. May I ask this question? Do you think it would have been better practice, having regard to the type of these expenditures, to compel the securing by Mr. Murray, or any other high executive, of itemized receipts that would break down the amount that he was authorized at least subsequently, if not before, to use on account of information he was seeking, or as an auditor do you think it is safe so long as you trust your executive to permit a more vague type of vouching to be done? That is a matter that I suppose as an auditor you may have had experience with other large corporations and the types of funds they sometimes set aside. Can you throw any help on that?—A. Well, as a chartered account-

ant, I certainly would prefer to see more detailed vouching but as treasurer of the corporation where I must know something about the cross currents and the kind of work that the manager of that concern has to do, the relations that he has to establish, I am not at all surprised that the board—and evidently the board did approve and consider this to be the right way—decided they would accept that kind of accounting. As treasurer, I could not do more.

By the Chairman:

Q. Was this account approved by the board of governors?—A. I know nothing about what the board of governors did other than they approved the accounts.

Mr. HANSON: As long as the accounts are reasonably identified a high executive should not be asked to produce vouchers for every two-bit tip and everything like that. If you have any suspicion that anybody is dishonest we should lay him off and get another one, but it is unfair to ask an officer that is holding a position like that to produce individual vouchers, especially for work in connection with getting statistical information. Just as we were talking a little while ago it might have been to entertain at the cocktail party.

Mr. SLAGHT: The point is that this is three years later whereas the board of that time did not disapprove in any way of that type of vouching, as the auditor points out.

By Mr. Coldwell:

Q. Did you ever draw that to the attention of the board, that type of vouching?—A. I had no contact with the board.

The CHAIRMAN: Do you mean to say that the general manager can put in a statement with no more detail than that for \$1,000 and it is immediately paid out of public funds? If it is it is poor business practice.

Mr. COLDWELL: I think it is terrible business practice.

The WITNESS: May I repeat what I said before that is not the practice. What happened at that time the general manager got advances on account of all kinds of expenses, incidentally on account of a trip to England in that year, and from time to time he put in vouchers, and he put in vouchers such as were presumably acceptable to the board of governors and the Auditor-General. I do not think the treasurer could do more than put these vouchers through. They seemed to be quite sufficient.

By Mr. Slaght:

Q. Did these go to the Auditor General after you passed on them, or at some stage?—A. Yes.

Q. The Auditor General also has seen that voucher?—A. Not only has he seen it but as was brought out in the evidence he must have seen it specifically because we know it went to his office and came back with the word on it "Noted" so there was certainly nothing hidden about it, and he must have been satisfied.

Mr. COLDWELL: We have had a number of questions on this particular point, and I want to draw your attention, Mr. Chairman, to page 552 where Mr. Murray said to me:—

I have a statement I am going to bring to your attention now for the years about which I was asked, showing exactly the disposition of money on these subjects—coverage reports, statistical reports and listeners' surveys and so on. I am in a position to provide the detailed figures on this, the people to whom they were paid and the object account to which they were charged, but I am not in a position to-day to give a complete elaboration or show all the results of each and produce the documents and so on. That will be a case of some further examination because it covers things that happened two years ago.

Then we go on. Major Murray says he has the details of these. I think we should get them, but I think at this stage it is only fair to say I think the board of governors should come in for some considerable criticism before this committee. It is a most terrible way of handling public funds to allow any official, no matter how high, to make out a voucher of that description and get paid for it, and if I may say in the presence of the treasurer I think that any treasure of a corporation that occupies this position for a number of years and does not object to this procedure is derelict in his duty.

Mr. SLAGHT: I do not think so at all. I do not think the treasurer is derelict in his duty when he points out this course is the course that apparently has been followed. This year after year met the approval of the Auditor General and no disapproval of the board. To what extent their attention was called to it I don't know, but I do not think the observations are justified. It is only a matter of our two personal opinions, but I am prepared to recommend for the future that a closer vouching of items of this kind be put into effect as a system.

Mr. COLDWELL: Of course, Mr. Slaght, I want this to be understood that I criticize the board but it also places the official himself in this case the General Manager in a most invidious position, a situation of this sort, and he should be protected as well as the public.

Mr. SLAGHT: I agree, but it having gone on that way—how many million dollars a year does this organization spend?

The WITNESS: About \$4,000,000.

Mr. SLAGHT: \$4,000,000 a year, and these few items have been loosely vouched, one could say, but it is part of a system, and I do not think that this gentleman, the auditor—I am only speaking for myself—should be castigated about it, nor Mr. Murray, nor perhaps the board except that we would express ourselves that if we had been there we would have been more Scotch and more meticulous in requiring to know just where the money went to, and perhaps it is a useful service for a parliamentary committee to find this practice and make suggestions for correcting it, but I am afraid if we castigate at all we would suggest dishonesty and nothing of that kind has been suggested.

Mr. COLDWELL: Mr. Chairman, it is six o'clock.

The CHAIRMAN: Then, I suggest to the committee that we continue with Mr. Baldwin on Monday morning and we will meet at eleven o'clock. If it is the wish of the committee to have Mr. Thompson appear as a witness I would like to have a motion to that effect.

Mr. COLDWELL: I will move that.

Mr. HANSON: I will second that.

The CHAIRMAN: Moved by Mr. Coldwell and seconded by Mr. Hanson.

Mr. COLDWELL: I would have liked to see Mr. Dilworth appear on account of the expressions of opinion regarding his work. I think we have heard so much in criticism of the C.B.C. that here is a man who is well regarded and whose work is highly regarded, and it might be well to make a balance and try and get Mr. Dilworth here.

The CHAIRMAN: I might explain that Mr. Dilworth is in Vancouver and in order to get here by train it would take him about five days. If he came here by air he probably could not get a reservation for five or six or ten days. The cost is very considerable and there is no information in my judgment which Mr. Dilworth can give which cannot be given by Mr. Radford.

Mr. COLDWELL: I will move that Mr. Thompson be called.

The CHAIRMAN: The motion is carried with reference to Mr. Thompson. The witnesses on Monday will be Mr. Baldwin, Mr. Thompson and the Deputy Minister of Justice.

The committee adjourned at 6.05 o'clock p.m. to meet again on Monday, July 13, 1942, at 11 o'clock a.m.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 19

MONDAY, JULY 13, 1942

WITNESSES:

Mr. Harry Baldwin, Treasurer, and
Major W. E. Gladstone Murray, General Manager, the
Canadian Broadcasting Corporation

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

MINUTES OF PROCEEDINGS

MONDAY, July 13, 1942.

The Special Committee on Radio Broadcasting met at 11.00 a.m. this day. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Hanson (*Skeena*), Isnor, Hansell, Laflamme, McCann, Ross (*St. Paul's*), Slaght, Tripp, Veniot.—12.

In attendance: Messrs. Murray, Frigon, Manson, Brodie, Bushnell, Radford and Miss Belcourt, all of the C.B.C.

The Chairman read the following communications:—

- (a) Letter to Chairman from Mr. J. C. Harvey, Montreal, Que., dated July 10, 1942;
- (b) Letter to the Clerk from J. G. Fraser, Manager of the North-West Line Elevators Association, Winnipeg, Man., dated July 9, 1942;
- (c) Telegram from the Clerk to J. C. Thompson, C.A., summoning him to appear before the Committee, dated July 10, 1942.
- (d) Reply of Mr. Thompson of July 11.
- (e) Telegram from the Clerk stating to await further instructions;
- (f) Letter to Chairman from Gus Harris, Chairman, Federated Work-finding Service Clubs, Toronto, Ont., accompanied by a memorandum.

The Chairman informed the Committee that the Deputy Minister of Justice was ill and could not be present.

By unanimous consent the Committee decided not to call Mr. Thompson and the Clerk was instructed accordingly.

Mrs. Casselman (*Edmonton East*), suggested that Col. Wilfred Bovey, a former Governor of the C.B.C. be called.

Mr. Coldwell referred to the evidence of Friday, July 10, objecting to a remark by Mr. R. B. Farrell who was present.

A further discussion followed in connection with the Vancouver Regional Office, station CBR. In regard to this, Mr. Coldwell quoted an extract from a letter written by Mr. L. W. Brockington to the General Manager, dated June 7, 1939. He also suggested that Mr. I. Dilworth, presently manager of the CBR station at Vancouver be called before the Committee.

The Committee instructed the Clerk to obtain the Dilworth reports and the relating documents referred to by Mr. Coldwell.

The Chairman then read an extract from the Minutes of the 11th meeting of the Board of Governors of the C.B.C. at Ottawa, July 5th, 6th and 7th, 1939, relative to the Vancouver office.

Mr. Baldwin, Treasurer of the C.B.C. resumed his statement. He was assisted by Mr. Harry Bramah. He quoted from Mr. Pickering's evidence and concluded his statement. The witness was interrogated and he tabled copies of vouchers relative to the General Manager's duty expenses when away from base, for the years 1937 to 1941.

The Committee adjourned until 4.00 p.m. this day.

AFTERNOON SESSION

The Special Committee on Radio Broadcasting met at 4.00 p.m. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Hanson (*Skeena*), Isnor, Hansell, Laflamme, McCann, Ross (*St. Paul's*), Slaght and Tripp.—11.

In attendance: The same officials of the C.B.C. as were recorded in the morning session.

Mrs. Casselman (*Edmonton East*), made two corrections in questions she asked on Thursday, July 2 (page 806 of the printed evidence).

Mr. Baldwin's examination was resumed and concluded.

Witness retired.

At his own request, Major Murray was recalled. He read a short statement and was briefly examined. In reply to Mr. Coldwell he promised to send to the Committee the Siepmann and Estorick reports as soon as they are available. Witness was allowed to incorporate in his evidence a statement respecting the meetings of the Finance Committee of the Board of Governors.

The witness retired.

The Committee adjourned until Tuesday, July 14, at 11.00 a.m. when it will sit in camera to consider the evidence in view of the Committee's report to the House.

ANTONIO PLOUFFE,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

July 13, 1942.

The Special Committee on Radio Broadcasting met this day at 11 o'clock a.m. The Chairman, Dr. J. J. McCann, presided.

The CHAIRMAN: Order, please. Mrs. Casselman and gentlemen, we have a quorum and we shall proceed with the business of the meeting. I have a little correspondence here which I shall bring to your attention. The first is a letter from Mr. Jean-Charles Harvey, which reads as follows:—

LE JOUR, MONTREAL, July 10th, 1942.

CHAIRMAN,
Special Committee on Radio Broadcasting,
Parliament Buildings,
Ottawa, Ont.

Mr. Chairman:—I have just read, in the newspapers, the statements made about my Tuesday evidence before the committee.

As soon as I will get the official copy of those declarations, I am willing to send you a memorandum which will complete my previous testimony.

In fact, I am awfully sorry to realize that some people will try to give an impression that I made "personalities," while I have confined myself entirely to the ideologic domain. Nothing but the ideas interest me in that debate.

If the committee has some other question to ask me in order to explain more plainly, I will be glad to give all answers in my memorandum.

Yours very sincerely,

(Sgd.) Jean-Charles HARVEY,
Editor.

I suppose there is no action to take on that other than to file it.

Then I have a letter from Mr. Fraser of the North-West Line Elevators Association, Winnipeg, reading as follows:—

July 9, 1942.

CLERK,
Committee on Radio Broadcasting,
House of Commons.
Ottawa, Ont.

Dear Sir:

We are in receipt of your telegram of July 3rd addressed to Mr. Cecil Lamont, Vice-president of our association, suggesting that if he desired to appear before the committee to do so on July 7th, or if submitting a brief to do so before July 10th.

Mr. Lamont is out of the city and will not be available until the end of July. However our telegram directed to the committee on June 2nd sets forth our position very clearly and the general manager of the Canadian Broadcasting Corporation has laid before him details of commercial organizations attacking their competitors on the air.

Yours very truly,

(Sgd.) J. G. FRASER,
Manager.

Mr. COLDWELL: I move it be filed, and the telegram should go on record too, should it not?

The CHAIRMAN: That is not in the hands of the committee. Then I have some wires with regard to James C. Thompson, as follows:—

OTTAWA, Ont., July 10, 1942.

J. C. THOMPSON, C. A.,
414 St. James St. West,
Montreal, Que.

Committee of the House of Commons on Radio Broadcasting requests your appearance on Monday July 13 at 11 Stop Letter and summons follow.

A. Plouffe,
Clerk of the Committee, House of Commons.

CALGARY, Alta., July 11, 1942.

A. Plouffe,
Clerk of the Committee of the House of Commons
on Radio Broadcasting,
Ottawa, Ont.

Your telegram forwarded from Montreal Stop Regret unable attend Monday unless you are able to arrange priority Trans-Canada Air Lines tonight as no space presently available Stop Under ordinary circumstances expect return Montreal July twenty-first Stop Alternatively suggest appearance before committee on Wednesday fifteenth which would involve returning here for business reasons Stop On receipt your instructions will govern myself accordingly Stop Also please advise arrangements if any for reimbursement out-of-pocket expenses Stop Present address Palliser Hotel, Calgary.

JAMES C. THOMPSON.

Mr. Plouffe got in touch with me over the telephone at my home on Saturday evening. I directed him to send the following wire to Mr. Thompson:

JAMES C. THOMPSON,
Palliser Hotel,
Calgary, Alta.

Your telegram Stop Please await further instruction noon Monday.

A. PLOUFFE,
Clerk, Committee Radio Broadcasting H. of C.

We might as well decide what action to take on this matter at the present time. You can see from that he cannot be here before the 15th, and that would involve him going back to Calgary again on his business. My personal opinion is we are not likely to get any evidence from Mr. Thompson which would be of much benefit to us other than the report which is already in our hands.

Mr. COLDWELL: I think you are probably right.

The CHAIRMAN: It means a lot of expense in bringing Mr. Thompson from Calgary here, and it is a question whether we are justified in doing that in view of that fact that we have the report and he has not been connected with the C.B.C. since he made his report. The report is fairly clear and concise and it is my opinion, as I said before, that we are not likely to learn anything more from him appearing before the committee than we have from his report, so that I would suggest that we dispense with summoning Thompson.

Mrs. CASSELMAN: I wonder if in that connection we might get Colonel Bovey, who was a governor of the C.B.C. at that time? He has written a book on French Canada and was a member of the Board of Governors of the C.B.C. at the time this was going on. Most of the evidence we have had so far has dealt with a past period and it seems to me that somebody who was on the C.B.C. Board of Governors at that time and not on the Board of Governors now should be called.

The CHAIRMAN: I would suggest, Mrs. Casselman, that we deal with that later or refer it to the Agenda Committee. I am just trying to clear the matters before us.

Mrs. CASSELMAN: I just make that suggestion.

The CHAIRMAN: The matter of further witnesses will be dealt with afterwards. Is that satisfactory in connection with Mr. Thompson?

Mr. COLDWELL: I think so under the circumstances.

The CHAIRMAN: Mr. Varcoe, who was invited to be a witness this morning, is not able to be here. His office sent me word to the effect that he is ill and cannot appear.

Now we have some further correspondence dated July 11, 1942, from the Federated Work-finding Service Clubs, 21 Hannaford Ave., Toronto, and it reads as follows:—

Dear Dr. McCANN;—Realizing that your cares are many and the duties of the present enquiry press upon your time, it may seem rather presumptuous of me to have prepared the enclosed observations without an invitation. It was hoped, however, that the experiences of the Federated Work-finding Service Clubs with the Canadian Broadcasting Corporation would be of some interest to your committee, since the nature, quality and procedure of the talks programs have been discussed at your meetings and brought to the attention of the public by the press.

Yours sincerely,

(Sgd.) GUS HARRIS,

Chairman.

. . . the good things men do are often interred with their bones.
That is probably correct.

In Janary, 1940, Mr. Gladstone Murray, General Manager of the Canadian Broadcasting Corporation, suggested to the Federated Work-finding Service Clubs, that a series of broadcasts over station CBL, in Toronto, may be instrumental in obtaining employment for unemployed and rejected young men. The series of broadcasts was so successful that they ran on into mid-April, with four men interviewed each week. More than one hundred permanent placements and many hundreds of temporary jobs were obtained as a result of the series and young men who had come to Toronto to enlist and were either rejected or waiting for their call, supported themselves entirely from these odd jobs.

Letters poured in from all parts of Ontario not only from people offering jobs at a time when placements were particularly hard to find, but many people also expressed their appreciation of the nature of the broadcast. Once a kind hearted woman offered to pay the tuition of one of the men over the air, as he had expressed a desire to gain a business training which he couldn't afford. Many radio listeners telephoned long distance after the broadcast, and the daily papers never failed to write up the nature of the broadcasts.

In one case a large Toronto daily featured the photograph of the group at station CBL, in Toronto, with the announcement "Mike helps young men find employment" all of which must have been instrumental in creating a spirit of sincere appreciation not only by the young men themselves towards the C.B.C., but also their parents, employers, the press and the general public alike.

All this was made possible by the foresight and sympathetic understanding of Mr. Gladstone Murray and in the preparation and presentation of the series Mr. Reid Forcee, not only brought out the best in the boys by impromptu questioning but took a personal interest in every one in order to bring out the colour and human interest and qualifications likely to bring in a job. The entire staff of the talks department of the C.B.C., in Toronto, gave us the utmost co-operation.

GUS HARRIS,

Chairman.

Federated Work-finding
Service Clubs, Toronto.

I do not think it is necessary to take any action with that other than to file it.

Now I have an anonymous slip which makes a lot of recommendations.

Mr. COLDWELL: There are two things I should like to say: first of all, in reading over the transcript of evidence I noticed that there was an interruption from someone sitting in as an observer in this committee to the effect that some remarks I had made as a member of this committee were untrue. I refer to Mr. Farrell. Mr. Farrell, apparently from the table—I did not notice it at the time—interjected "It is untrue," and that is on the record. Now, Mr. Farrell is not a member of this committee; he was not appearing before this committee and I would suggest to the chairman that his action is a breach of order and a breach of decorum. While I am always ready to allow anyone to try to refute any statement I may make and he has the privilege to appear before this committee to do so, I submit if Mr. Farrell is going to interrupt members of this committee by remarks like that he should be asked to leave this room.

The CHAIRMAN: Personally I cannot recall having heard him make that interjection which should not have been made and will not be permitted in the future.

Mr. COLDWELL: Thank you.

The CHAIRMAN: If there is a further breach of that type it will be dealt with.

Mr. ISNOR: Is that not in connection with a remark you made to the witness?

Mr. COLDWELL: I saw it in the transcript. I think I am right, Mr. Plouffe, I drew it to your attention. There is no need to spend time looking for it.

Mr. ISNOR: I recall you saying order when Mr. Farrell interrupted and made a statement similar to that made by Mr. Coldwell, but I was under the impression that it was in connection with a witness.

The CHAIRMAN: I did not pay any attention to it.

Mr. COLDWELL: It was right after what I had said; it appears in the evidence so I presumed it applied to something I had said.

The CHAIRMAN: I get your point, and it will be taken care of.

Mr. COLDWELL: There is one other thing. On Thursday we had references made to a situation at Vancouver. I had no knowledge of what that situation was.

Mr. Bushnell came before the committee and made a statement which I think he made quite honestly and from memory, but I am very doubtful as to whether that statement really agrees with the facts. I have a copy of a letter here, dated Winnipeg, June 7, 1939, addressed from 737 Grain Exchange Building, Winnipeg, Manitoba, from Mr. Brockington, who was general manager, and in that letter this appears; I quote:

The recent investigations into irregularities at Vancouver were designed, first of all, to discover the extent of the diversion of moneys; secondly, to determine how many fictitious names had been placed on the pay-rolls during our period of office; thirdly, to determine responsibility for the foregoing irregularities, and fourthly, to consider the responsibility for the open, continuous and flagrant breach of administration orders. You agree, I know, that such an investigation is your and my responsibility as the primary duty of trustees, such as we are. It has been held by the administration and the governors jointly. The task has been unpleasant for all concerned.

I have learnt, therefore, with surprise, from you and elsewhere, that some employees of the Corporation who were originally associated with our predecessors have been making statements as to what they will do in case the investigation should touch some matters that appear to belong to the past regime. It is obvious that neither the Board of Governors of the Canadian Broadcasting Corporation nor its general manager can deviate from plain duty as a result of any such amazing threats.

The CHAIRMAN: That is a letter from Mr. Brockington to the general manager, the present general manager?

Mr. COLDWELL: Yes, dated June 7, 1939, a period which comes within the scope of this inquiry. Having had this drawn to my attention on Saturday I felt, in view of the late Mr. Plaunt's report in which he speaks of irregularities, misconduct and the retention of persons in the employ of the corporation who were guilty of misdemeanour and the fact that we have been unable to elicit any evidence regarding what his references meant and having been shown this letter, it was my plain duty to bring it before the committee and to ask that the report of the inquiry which I understand was made by Mr. Ira Dilworth into the Vancouver office of the corporation, the correspondence in relation to that report and the particulars be placed before this committee. I believe that under these circumstances, though I made the suggestion on Friday that Mr. Dilworth should be called, in a casual sort of way, that he should be called because of the fact that he made an investigation into these alleged irregularities.

Mr. TRIPP: This letter states that Mr. Brockington referred to an investigation which he made himself—

Mr. COLDWELL: Yes, which the corporation had made?

Mr. TRIPP: Is there any result of that investigation?

Mr. COLDWELL: That is what we want to find out, what it disclosed and what action was taken afterwards.

Mr. TRIPP: When was that investigation made?

Mr. COLDWELL: This letter is dated June 7, 1939.

Mr. TRIPP: When was the investigation made?

Mr. COLDWELL: Apparently the investigation had just been completed.

Mr. TRIPP: What time?

Mr. COLDWELL: June 7, 1939, which is within the scope of this inquiry.

Mr. SLAGHT: How does Dilworth come in?

Mr. COLDWELL: He made the investigation into the Vancouver situation.

Mrs. CASSELMAN: He is now the regional manager?

Mr. COLDWELL: He was not at that time.

The CHAIRMAN: No. That is my understanding. What, was Mr. Dilworth, the regional manager?

Mr. HANSON: Part of the time, yes, but not at the time the thing occurred.

The CHAIRMAN: His present position is regional manager?

Mr. MANSON: Regional representative.

The CHAIRMAN: He made this investigation. The difficulty, of course, is that we are at a late stage of the committee and Mr. Dilworth is in Vancouver. If he came down by train he could not get here for probably four or five days; there is great difficulty in obtaining transportation for him by air.

Mr. COLDWELL: The minister could arrange priority.

The CHAIRMAN: It is a question whether he could or could not. A lot of people just as prominent as Mr. Dilworth have difficulty getting transportation, men who are prominently connected with the government or business activities. They have a great deal of difficulty in getting transportation.

Mr. COLDWELL: In view of the important contents of the letter I have read I think he would be as important as anyone likely to travel unless it would be some military or naval officer or a minister of the Crown.

The CHAIRMAN: It so happens that they are the very ones who occupy most of the space on the air lines at the present time, and they have a prior priority.

Mr. COLDWELL: Well, there might be the odd seat.

Mr. SLAGHT: Is Mr. Brockington down east here?

The CHAIRMAN: I think so.

Mr. SLAGHT: What you want to get at is the report that this letter says Mr. Brockington was to make.

Mr. COLDWELL: The report that has been made at his and the general manager's request.

The CHAIRMAN: I will ask Mr. Coldwell if he will be good enough to read to Mr. Slaght that portion of the reference he made to a letter from Mr. Brockington which bears on the point. It need not be reported on the record.

(Mr. Coldwell reads):

The CHAIRMAN: Now, I would like to interject an extract which might help,—

Extract from the Minutes of the 11th Meeting of the Board of Governors of the Canadian Broadcasting Corporation held in Ottawa, July 5, 6 and 7, 1939.

The chairman then explained the results of an investigation at Vancouver. The investigation had not been wholly completed; some individuals had yet to be questioned. It had revealed the existence, in the past, of certain undesirable practices. No fault could, however, be found with the present administration in Ottawa. These practices had grown up in Vancouver prior to the corporation's inception. The corporation's own system of control was an adequate guarantee against their recurrence. A detailed report by Mr. Dilworth was read. It was decided that Mr. Dilworth's findings should be considered in relation to the surveys of staff and organization, presently being undertaken.

Does that throw any light on it at all; it says that Mr. Dilworth made an interim report.

Mr. ISNOR: The report of Mr. Dilworth would be on file.

The CHAIRMAN: Yes, that must be in the records.

Mr. SLAGHT: Are these the practices that somebody told us the other day occurred under the previous administration and had been carried into this one; is that it?

Mr. COLDWELL: I think that is right.

Mr. SLAGHT: If you had Mr. Dilworth's report—some men won't fly, and some men don't like to fly—you and I are not that kind.

Mrs. CASSELMAN: This is all three years old. If it has been dealt with by the Board of Governors at that time, is it worth our time going into it? It is three years old now, and it has been dealt with by the Board of Governors; surely they are a responsible body.

Mr. COLDWELL: Are they?

Mrs. CASSELMAN: And the general manager, and they dealt with that report.

Mr. COLDWELL: We are charged with the responsibility of looking into the affairs of the broadcasting corporation; and as such I think we have had enough evidence placed before us to show that the Board of Governors, perhaps because of physical difficulties and so on, have not given the attention to the corporation that should have been given, I cannot understand what two statements in this letter means: first of all, many fictitious names have been placed on the payrolls during our period of office; and, secondly, what were the threats that were made and why were those threats made, and how if they were made could they have worried either the general manager or any member of the Board of Governors? I think in view of some of the evidence we have had, and particularly this—that I myself and other members of this committee have questioned nearly all the witnesses who have appeared, at least several of the witnesses from whom we thought we could get information regarding what happened in Vancouver—I asked the general manager, for example, what irregularities and what misconduct Mr. Plaunt referred to in his report, and the general manager didn't know. I asked him if there was any correspondence which had been received as to what these things meant, and again I was told that there was no correspondence of this nature. Now, I find this so it strikes me that we are not being told the whole truth in connection with some of the affairs of this corporation, and I think we have got to get to the bottom of it.

Mr. SLAGHT: Someone told us the other day, he gave an illustration of one of the irregularities, about some men who were getting a small salary and somebody increased it, and so on.

Mr. HANSON: We have already referred to it.

Mr. SLAGHT: Is not this the position: apparently from the minute you read Mr. Dilworth made a report; hadn't we better see it before we bring a man from Vancouver? These matters may have all been referred to and cleaned up in Mr. Dilworth's report. It is three years ago.

Mr. COLDWELL: I will say this, that I have several pages here; almost all of cheques that have been improperly issued.

Mr. SLAGHT: Has the auditor been asked about them?

Mr. COLDWELL: I would like to get the record officially from the organization. I did not like to use what I have before me. All these pages are unofficial (indicating a number of typewritten pages of cheques and amounts).

Mr. TRIPP: Would not Mr. Dilworth's report cover that?

The CHAIRMAN: They said at this time—July 6, 7 and 8—"investigation has not been wholly completed," and so on. Well, there certainly must have been some final report at some time.

Mr. COLDWELL: There must have been.

The CHAIRMAN: If there is a final report on the whole matter after the investigation was completed surely we can get that.

Mr. CLAXTON: Is that an extract from the minutes?

The CHAIRMAN: This is an extract from the minutes. I will read it for you as you were not present when I read it before, Mr. Claxton, but it need not be repeated in the record.

Mr. HANSELL: Well, Mr. Chairman, I agree with Mrs. Casselman that much of this is old; and I do not care much to wash any dirty linen, particularly if it is old; but, at the same time, I do not believe we can leave this thing in here the way it is. I believe we would be falling short of our duty, and it would certainly appear that way in the eyes of the public, for a parliamentary committee to sit here and leave a thing like this the way it is right now. I agree with Mr. Slaght that the next move we should make is to have these two reports, the interim report and the final report, which must be on record somewhere. If we get them then we can work on from there.

The CHAIRMAN: May I ask the secretary of the C.B.C. if these reports are on file?

Mr. MANSON: I imagine they are. I could not say off hand.

Mr. COLDWELL: Would all the documents relating to these reports be with them? I think we should have all the documents as well. I may say that I have thirteen pages here— double-space, ordinary letter size, of cheques improperly issued to persons who did not exist, or over-payments and so on.

The CHAIRMAN: What would be the date of those?

Mr. COLDWELL: All the way from 1936 right up to 1938.

Mr. SLAGHT: Is that in this regime or in the old regime?

The CHAIRMAN: That would be in the old.

Mr. SLAGHT: Are we investigating the old regime?

The CHAIRMAN: It is in the old regime.

Mr. COLDWELL: It is in this regime also, up to 1938.

The CHAIRMAN: Oh, it is in this regime too.

Mr. SLAGHT: I thought that the memorandum the chairman read stated that the matter was being dealt with by the then present administration.

Mrs. CASSELMAN: And it also said that the system of control now in vogue, or something of that kind, was adequate.

Mr. HANSON: The reports should show that when we get them.

Mr. COLDWELL: I think the point is this: supposing some people were found to have acted improperly in relation to finance; the question, I think, is: what action did the general manager take; were the persons found to have acted improperly retained in the employ of the corporation; and, why?

Mr. SLAGHT: What action did the board take; not, the general manager. I suggest that it would be more correct to say the board.

Mr. COLDWELL: I was thinking of the board and the general manager together; what action did they take regarding these matters?

Mr. SLAGHT: I agree with Mr. Hansell; the first thing is to get these reports. The secretary said he thinks they are there; then, move from there; don't you think?

Mr. COLDWELL: Yes, I think probably that is the right way.

Mr. SLAGHT: I think that is the way to do it.

Mr. COLDWELL: I think the man who made the report might be able to explain parts of that report which might be a little bit obscure. We have had so much that has been obscure. I think we should secure someone who knows all about it.

Mr. SLAGHT: It is a late stage to consider that.

Mr. COLDWELL: I know it is a late stage, but I asked the general manager early in this investigation to what accounts Mr. Plaunt referred regarding irregularities and misconduct; and he didn't know. And I asked him if there were any documents or letters in relation to these matters; and he said, not that he knew of.

Mr. SLAGHT: You asked for correspondence I think, and we do not know that there is any; but, let us get this report. You see, the general manager did not investigate—he was not asked to investigate—and he didn't pass on it. The board did pass on it as long ago as July, 1939; and I think that we should get the report.

Mr. COLDWELL: I have no objections to getting the report. I would be glad to see the report. But I think properly we should have Mr. Dilworth as well.

Mr. TRIPP: Mr. Chairman, would it be a fair question to ask Mr. Coldwell where he got his information?

The CHAIRMAN: He does not have to answer that. Well, what is the wish of the committee?

Mr. SLAGHT: I would think, as Mr. Coldwell says he has a list of cheques—I am just as anxious, if that be so, as can be, to go into it—a list of cheques which were issued without authority. I think it would be fairer for him to say, which someone whom I won't disclose told me were issued without authority. It may give the press the wrong idea otherwise. I can understand why he does not want to disclose it. But let us just say for the moment that the statement is based on some evidence received from an undisclosed informer.

Mrs. CASSELMAN: Someone who had access to quite a bit of information.

Mr. SLAGHT: Either rightly or wrongly.

Mr. COLDWELL: You can check this list and see if they are correct.

Mr. SLAGHT: That is a matter for an auditor. I think the auditor is the man who would be in the best position to know whether the cheques are right or not. If he has any information on it for us we can get it.

Mr. HANSON: Probably the executive assistant could get these two reports for us to-day and then we could see what they contain.

The CHAIRMAN: Then, the direction of the committee is that the interim and final reports of Mr. Dilworth be produced before the committee.

Mr. COLDWELL: Together with—I think we should have any related documents.

The CHAIRMAN: Together with all related documents. Do you understand that, Mr. Manson?

Mr. MANSON: Yes, sir.

The CHAIRMAN: All right.

The CHAIRMAN: Now, shall we proceed with the examination of Mr. Baldwin with reference to the matters arising out of the evidence given by Mr. Pickering.

Mr. HARRY BALDWIN, Treasurer, Canadian Broadcasting Corporation, recalled:

Mr. COLDWELL: We were just dealing with one voucher for \$1,003. I wonder if Mr. Baldwin would be good enough to place before the committee any other vouchers of a similar sort, in order that we may have a complete picture.

The WITNESS: Mr. Chairman, Mrs. Casselman and Gentlemen: In view of the very delicate nature of the figures and facts with which I have to deal may I have an opportunity of continuing a statement which I have to make? I have several copies of what I will read and they will be available for the examination of members of the committee. It would, I think, be much more useful to the committee, if I may say so, if I am permitted to read straight through the statement. I will give Mr. Coldwell and anyone else who would like to have it, a copy.

Mr. COLDWELL: I think that is a fair request.

Mrs. CASSELMAN: How big is that? I think we broke off last Friday at a very unfortunate spot, because you did not give Mr. Baldwin a chance to put all the evidence before us; and consequently I think a false impression went out as to what went on in this committee.

The CHAIRMAN: That was not done deliberately at all. It may be unfortunate that it happened that way.

Mrs. CASSELMAN: Mr. Baldwin I understand has a very high standard of previous experience and we certainly do not question his honesty.

The CHAIRMAN: Nobody has made any reflection on that at all that I know of. I certainly did not.

Mr. ISNOR: Did I understand him to say that he has several copies.

The WITNESS: I have several copies here, which I made when I was preparing this statement—I am sorry, I find that there are only three or four copies, but they are available and perhaps should be passed around.

The CHAIRMAN: Yes.

The WITNESS: This is my statement: On page 46 of the printed copies of the evidence the witness says:—

WITNESS: A short time later, the treasurer informed me that the general manager had submitted more items, amounting in the three months from April to June, 1939, to a total of approximately \$1,000 and that the explanation that accompanied these items was to the fact that they were special expenses made for services in obtaining statistical and other information relative to C.B.C. coverage and public reaction.

Witness Continues: While Mr. Murray was absent in England, the treasurer discussed with me the possibility of the general manager withdrawing the items for the special expenses in consideration of the funds the latter would receive as a result of the living allowance being restored retroactively.

My COMMENT: While I have no immediate memory of this particular incident, I have no reason to doubt the statement. I feel, however, that the incident in question cannot be judged fairly without a description of the accounting records made in recording these transactions. It was Mr. Murray's practice to ask for sums of money at irregular intervals and in various amounts ranging I would say from \$200 to \$700. During the particular period under review, that is the spring and summer of 1939, he travelled a great deal including a trip to England. It was more than usually difficult to obtain from him or his secretary or from anybody else conversant with his movements, an up to the minute accounting for the advances made to him. He did, no doubt, put in the interim statements to which the witness referred. These again were not essentially different from other accountings for the general manager's advances.

It was not until the end of August when the general manager had returned from England that we could even commence getting made an accurate final accounting of the advances made to him since the 1st of

April. The process of arriving at a fair accounting for these advances required much revising and many working papers. Anyone who has had to do with the accounting for such advances will know what I mean.

The situation was not made any easier by the fact that the general manager's allowance for duty expenses at base had been increased from \$200 a month to \$400 a month and that his per diem allowance for hotel expenses had been increased from \$10 to \$20 per day. The final accounting for all these advances was not finally reached until the 4th of October, 1939. In the course of the many accounting revisions which had to be made, the general manager decided to eliminate items totalling about \$1,000.00. In other words, he bore these particular expenses himself. It may be that his decision to do this was influenced by the fact that he had in a sense built up a little cash reserve through his enforced saving of \$200 a month on his allowance at base, and of \$10 a day on his total per diem allowance. I do not remember having attached any particular significance to this matter at the time nor do I now.

On page 49, *The Witness*: "As I have indicated the special expenses were wiped out by virtue of the retroactive amounts being available to the general manager".

INTERJECTION BY Mr. COLDWELL: Mr. Baldwin in his evidence on page 657 in reply to some questions I asked him said in part: I have never had anything drawn to my attention regarding that. Frankly it is new to me.

COMMENT: I do not feel that the fact that the general manager changed the form of his interim accounting for expenses constituted a refund.

For a clear understanding of this it must be borne in mind that most of the vouchers do not cover any specific advances. Advances having been made as required from week to week in odd amounts and accounted for at varying intervals. Whatever the delays all advances were finally covered by vouchers by the end of the corporation's fiscal year.

SUMMING UP: The corporation's budget includes an item under the heading "Unallocated" which grants to the general manager and the assistant general manager a specific sum to cover unusual expenditures which are not budgetted for departmentally. In no year have these items been overdrawn. The voucher for \$1,003 tabled here on Friday is marked "Charge to Unallocated". The Canadian Broadcasting Act, 1936, the corporation's by-laws, nor the minutes of the Board of Governors do not limit beyond the limits set by the budget the expenditures of the executives. Even after what must have been special consideration of this point, when the by-laws were revised, it was evidently decided to retain this principle.

It might simplify the discussion of these vouchers if I point out that they do not include the per diem allowance for hotel expenses, which at one time was \$10 a day and another time \$20 a day. Nor do they include the special allowance at base which at one time was \$1,500; at another time \$2,000; at another time \$4,800 and which is now \$3,000 per annum. So far as I can follow the discussion, these items have been dealt with to the satisfaction of the committee. There remain then only the vouchers for duty expenses which were placed on record in the general manager's evidence on page 170, and which up to 31st March, 1941, averaged about \$2,500 per annum. Included among these expenditures is the voucher for \$1,003 around which the discussion centred on Friday.

It is, I think, fair to say that had these vouchers been labelled simply "Public Relations" that would have been a full and satisfactory description.

Since the question of the sufficiency of these audited vouchers has been questioned, I suggest that the committee submit them again to the Auditor General for re-audit.

I have copies of them with me here; the originals of which are on the corporation's files. Pending re-audit, I suggest it would be proper that their details should not be disclosed by inclusion in this committee's records. They cover about 1/20 of 1 per cent of the \$20,000,000 administered by the general manager—and I hope the press will note this—for the Canadian Broadcasting Corporation since its inception six years ago, and would, anywhere else, have been labelled for "Public Relations".

And now Mr. Chairman, I think you and the committee will agree that unless a suggestion of dereliction of duty on my part is to stand, some retort must be made to the gravely damaging remarks which are part of Friday's record. I ask, therefore, that I be called before this committee again near the conclusion of its sittings, if by then evidence has not been heard which convinces you that I have acted with scrupulous correctness in the discharge of difficult and dangerous duties.

Mr. COLDWELL: May I just pass a remark there. I was the member of the committee who made the remark to which Mr. Baldwin refers. He states that he has acted with scrupulous correctness in the discharge of difficult and dangerous duties. I am not questioning that. Perhaps the words I used on Friday, "dereliction of duty," may have been rather too strong under the circumstances; because I realize, of course, that the position in which he is, that of a subordinate to the general manager and under the board, does create some difficulty. I imagine that when he refers to difficult and dangerous duties, he has something of that sort in mind. I want to say that, without further evidence on the point, I would be inclined to say that my remark on Friday may have been too strong a characterization of what I had in mind. But I do think that the duty of a treasurer does include the questioning of accounts presented for payment by any official or under any circumstances. I do not think that perhaps a sufficient inquiry was made into these particular accounts presented.

The WITNESS: Thank you, Mr. Coldwell.

Mr. SLAGHT: I know my honourable friend always wants to be fair in these matters. What occurred to me in listening this morning is this. Mr. Baldwin's explanation is that some of these items,—which I think, from now forward, ought to be more closely examined and better vouched—were items that were put in under a system which the board approved of, that certain charges should be made to "Unallocated Accounts." If you authorize, as a board functioning, that certain of your executive officers or your highest executive officers shall, with your authority, be authorized to spend money on an unallocated account, that is a very broad term. I think perhaps we might recommend the disuse of a practice of that kind.

Mr. COLDWELL: Which is dangerous to everybody concerned.

Mr. SLAGHT: Yes, which is dangerous to everybody concerned. But the explanation I listened to this morning makes it pretty clear to me as to the way in which these vouchers were properly passed by Mr. Baldwin. It was not for him to tell his board what their duty was in deciding to allocate expenditures to unallocated accounts, or not to do so. That is a matter of policy.

Mr. COLDWELL: I see that point.

Mr. SLAGHT: He is the auditor. With your explanation, it makes it pretty clear to me, Mr. Baldwin, that you have set yourself straight with us.

The WITNESS: May I just keep the record straight there Mr. Slaght. I have been referred to as the auditor in a good many cases. I am the treasurer. The Auditor General of Canada is the auditor.

Mr. SLAGHT: That is so; you are the treasurer. Then particularly, as treasurer, you are a paid servant of the board and must carry out their policy or resign.

Mr. COLDWELL: I quite agree with that.

By Mrs. Casselman:

Q. It might be worthwhile to put on the record again what Mr. Baldwin's position was before he joined the board. It seems to me you were with the Auditor General's department, were you not?—A. Yes, Mrs. Casselman. I spent five years as secretary of the Auditor General's department. That was part of my Ottawa experience.

Q. That is, the board could have hardly got any one with better qualifications than yourself?—A. Well, you are very kind to say so.

By the Chairman:

Q. There is no question of qualifications at all. The whole matter is a question of the system of doing business. As far as any remarks I made about it the other day are concerned, I have absolutely nothing to retract and I probably may add something to that. Here is a voucher for \$1,003 and there is the stamp on it. It is initialled under "calculation". Anybody can add up a few sums of money. That is calculated and it is initialled correct. The next thing is "price correct," and that is initialled. What does this one here mean?—A. Posting.

Q. It has been posted in the ledger? That is the check.

Mrs. CASSELMAN: On unallocated account?

The CHAIRMAN: On unallocated account. There is nothing to indicate that anybody got this money except the general manager, so far.

By Mr. Claxton:

Q. I am sorry that I was not here on Friday, so I do not know whether this ground has already been covered. But I wonder if Mr. Baldwin could say whether he knew what these expenditures were for.—A. I have no knowledge of the general manager's expenditures.

By the Chairman:

Q. That is exactly the point. There is nothing to indicate that anybody got this but the general manager. And the question I want to ask Mr. Baldwin now is how much was the account overdrawn at the time that \$1,003 was paid? Was that the exact amount to which the account was overdrawn?—A. Mr. Chairman, I am sorry to say that we cannot speak of the account in these terms as being overdrawn. I have tried to make that clear.

Q. As I understand it, your system is this. Either you give Mr. Murray an account for his expenses—you deposit money to an account in a bank or you give him cash or he spends his own money and is reimbursed. Those are the three ways of doing business. I do not know which one is followed. He goes away and at the end of the time suppose he has had advances. He may have had advances by this time of \$1,003, reconsidered matters and put in an account here for two months in order to bring it up to the end of the fiscal year. Is that the system which has been followed or were those amounts actually paid by the general manager to somebody else for services rendered?—A. No. It was an accounting for funds that he had got from time to time which were of three different natures. There was, first of all, his allowance, as I have said, which was from \$200 to \$400 a month.

Q. That was fixed?—A. Yes.

Q. There is no quarrel with that at all. There is no quarrel with his per diem allowance. That was fixed by the board. But when it comes to the question of expenditures which he made for intelligence service, is there any record to whom that money was paid?—A. None whatever.

Q. None whatever?—A. No.

Q. When it comes down to that, you have to take entirely the word of the general manager whether it was paid to anybody but himself?—A. Yes.

Q. There is the point.—A. Certainly.

Q. I have yet to be shown that that money was distributed to anybody.

By Mr. Hansell:

Q. Might I ask if this same system is in operation to-day?—A. No. Since the 1st of April, 1941, expenses of that sort are now recovered by the general manager by specific voucher.

Q. On the voucher which you refer to as being specific, does it give what the amounts were paid for and to whom they were paid?—A. Yes.

By the Chairman:

Q. That is now?—A. Yes; that is now.

Q. Just let us follow that back. You have a number of employees, 600 or so, in the C.B.C. They have expense accounts. They have legitimate expenditures. Some of them have a per diem allowance and some of them have travelling expenses. I presume that probably some of them make distributions of money. If they do, do you just accept a statement of this type from them or do you want more detail in it?—A. Oh, naturally, we expect absolute detail.

Q. Exactly. Then why the difference?—A. I suggest that there is a great difference between the expenses of a man who is dealing with very, very small matters and the extraordinary expenses of a man who is dealing with most extraordinary matters. I have had forty years' experience, if I must come to personalities; as a chartered accountant I have had to do with many big affairs. I do not think it is necessary that I should go into details. I have been in business from the west of Canada to London. I have worked in New York. I have not only been in business but I have been in other positions where considerable sums of money were spent. It is my solemn belief that the general manager of this corporation could not possibly have obtained for the people of this Dominion a broadcasting system, have established the relationships which he has established with the B.B.C., with the National Broadcasting Company, with the Mutual Broadcasting System, with the Government of Mexico and with the Canadian Broadcasters' Association, without having had to make extraordinary expenditures which it was obviously proper should not be disclosed in detail. I think that is all I need say.

By Mr. Coldwell:

Q. You think, as you said in your latest evidence, that if a voucher was simply labelled "public relations" and demanded \$1,000, that would be a full and satisfactory explanation?—A. It might be quite sufficient.

Q. You say that as treasurer?—A. Yes.

By the Chairman:

Q. And you go farther. Do you believe that nobody should know that but the general manager himself? How about the Board of Governors who are the corporation? The Board of Governors is the corporation of the C.B.C., and if the general manager does not have to report to the board, you might as well do away with the Board of Governors entirely and have it run as a one-man show

and have him run it the way he wants to.—A. I take it that the Board of Governors have all the knowledge that they have ever required concerning these expenditures. I know of nothing to the contrary.

By Mr. Coldwell:

Q. Mr. Baldwin, you say you have copies of the other documents there, and that pending re-audit, you suggest it would be proper that their details should not be disclosed by inclusion in this committee's record. Do you mean that we should not look at those documents?—A. No. I do not see that there is any reason why you should not look at them. But I think it is a great pity that they should appear in the public press and be quoted—quite properly as far as the press is concerned—while the thing is under review, presumably by the Auditor General. That is all I meant. I personally think that anybody could look at them and I would rejoice if they should be seen.

Q. You suggest that they should be re-audited?—A. Yes; mind you, as to their sufficiency. Perhaps that has not been brought out,—as to their sufficiency. They have been the subject of audit. Now, what is audit? Everybody has a different idea of what an audit is. Every chartered accountant will do it in a different way. If I may be permitted I should like to tell a story, and that is when I was a very young man in Toronto Mr. Cross who was my chief and the founder of the old firm of Clarkson, Gordon and Dilworth, it was then Clarkson and Cross, sent me out on a certain job. I said I did not know anything about stockyard accounting. He said, "That is all right, they want somebody to get out there, a new man on it." He said, "You do not have to know as much as that about the details. I could walk through an office without opening a book and I would know whether there was something wrong in there; it is the atmosphere, the feel of the thing,—"

Q. That is what is worrying the committee; it is the atmosphere here.

Mr. SLAGHT: We should have the astrologer then.

The WITNESS: Excuse me.

By Mr. Coldwell:

Q. That is the way some audit.—A. I do not suggest that is the way either Mr. Gonthier or Mr. Watson Sellar audit, sir. I think they do it with great accuracy. Now, there is the first point, the general manager's authority to spend like that, and he is evidently very well satisfied with it because it has not been done casually.

By the Chairman:

Q. That would serve no purpose, Mr. Baldwin, except to stall this off until parliament has risen and this committee was out of action. If it is suggested for that purpose I am afraid we would not be able to accept your suggestion, as far as I am concerned, anyway. What we want is to have the information before the committee and we will accept the auditor's figures that they are correct.

By Mr. Tripp:

Q. Would it not be fair to get the Board of Governors back here and get the information from them rather than from Mr. Baldwin. The authority for spending this money really comes from the Board of Governors. I think they are the ones responsible.

Mr. SLAGHT: Do we need them back? I am prepared to accept Mr. Baldwin's statement.

The CHAIRMAN: Nobody doubts his statement for a minute.

Mr. SLAGHT: This is the system the Board of Governors acquiesced in. If you bring them here they can only say that this is what they did. We could scold them, but they might say, "That is our view; you had better run this yourself." If we did that we are open to animadversion on it in the future. As I understand it they have quit it since 1941. I agree fully with what the chairman has said about the practice. These men did it in good faith, as I conceive it, and I do not think the general manager is open to any scolding in carrying it out.

The CHAIRMAN: They allowed it.

Mr. SLAGHT: It was carrying out the policy of the board.

The CHAIRMAN: The Board of Governors allowed it.

Mr. SLAGHT: As the chairman said, I do not like the business system; but I am not going to quarrel with it.

The CHAIRMAN: I am not dealing with the individuals at all. It is a pernicious statement.

By Mr. Claxton:

Q. You said the Board of Governors had all the information they required. Do you know if they required any information or if they got any information about these items?—A. I think, sir, that I said so far as I know they did. I have no knowledge of what the Board of Governors themselves did. It is fairly obvious that if they changed the by-laws of the corporation, did considerable dotting of i's and crossing of t's in the matter of the assistant general manager's responsibilities and that at that time there was a change in the method of accounting for those extraordinary expenses—I say "extraordinary" in the sense that they are not ordinary, that they must have all they wanted. I have every reason to suppose they did. I was not present; I do not know what they asked for, but they must have discussed the situation; it seems fairly obvious.

Q. You think they made these changes after having knowledge of the kind of thing you have been mentioning this morning?—A. I would think they were fully aware of it; but I think that probably circumstances have changed. The stage of development of the corporation which required this type of expenditure I think no longer exists.

Q. You are only going on inference?—A. Yes.

Q. Not declared action?—A. I know nothing; I have no official contact with the Board of Governors. I think it is quite important that should be understood.

Q. You made that clear the other day.—A. I think I made clear the other day there was no reflection on anybody. It makes my position exceedingly difficult if that is not understood.

By Mr. Slaght:

Q. Would it say that in the annual report which you make to the Board of Governors, which I have not examined? Would it disclose that a certain bulk amount of money had been expended by the general manager under this unaccounted for method during the course of the year? Would they get a bird's eye view as to whether or not the amount was extravagant and out of line or whether it was probably out of bounds, or that kind of money that you are going to spend was warranted? Would they get a bird's eye view of it?—A. I should think they would have the opportunity of getting any information they choose to ask for. They pass, of course, in final form on the balance sheet and the operating account of the corporation which is susceptible to most unusually complete breakdown into details if anybody chooses to ask for it.

I suppose they did ask for details. I know that from time to time they sent requests to the accounting department—which, of course, is under my immediate control—for the oddest kind of information. I was just going to say there is no question at all about that. It is all there whether everyone understands it or not. I might mention that on one occasion General Odlum sent for me privately. I mean, I was in the board room and he said he did not understand the accounts, that he had taken them to a chartered accountant in Vancouver, and he did not understand them. Well, I found that General Odlum had been taking a statement of the cash receipts and disbursements and nothing else to this young man in Vancouver, and naturally he did not think there was sufficient information. When I pointed out there was a balance sheet and an operating account and a breakdown ad lib he was entirely satisfied, and that is, I think, the description of what took place at the Board of Governors. I have no doubt—

By Mr. Coldwell:

Q. As I understand it, these are expenses that were made away from base; that is the idea, the \$1,003.—A. Not altogether; they are unusual expenses. Some of them are away from base.

Q. I understand that about \$400 of this voucher relates to expenses incurred in Ottawa?—A. Yes.

Q. Paid in Ottawa?—A. Yes.

Q. If they are paid in Ottawa, why would not they be put through and passed in the regular way?—A. I do not think it is odd that a man with a position and doing things that Mr. Murray had to do should have dealt with it out of one pocket or out of the other. I do not think there is much distinction between that. It is a question of his accounting for moneys that were advanced to the extent that he did account for them.

Q. Surely expenses away from the base would be referring to additional expenses that were incurred away from Ottawa; would that be the understanding?—A. I am sorry, Mr. Coldwell; I feel that people in Mr. Murray's position have quite extraordinary expenses, and it is my experience that they have been so, and I cannot say more than that, and they are expenses which for very good reasons should not be put on the record. They are perfectly legitimate.

Q. If you were perfectly satisfied and what Mr. Pickering said was correct, why did you suggest that he should discuss certain subsequent expenditures, those that were put in a few months later, with the general manager. Mr. Pickering said he did that at your suggestion.—A. Frankly I have no recollection of that. If I did I do not think it is out of the way; it was a question of accounting. I have said that before. I should like the committee to understand that this kind of expenditure is difficult to recover; it is six months afterwards before we get them. The man is flying from one place one month and another place another month. He is down to New York one minute and in Hollywood the next minute. He had a secretary who incidentally was a very able man; he is in the army now. I had most of my dealings with him. He would do this, and I must do the same thing myself again and again. He would say, "Where were you on such and such a day; what did you spend on that day; what did you spend the week before?" and he would be pushed aside because the president of the N.B.C. had come to town and had to be seen on that day. I cannot see anything extraordinary about these expenses or the way they were accounted for.

Q. As I understand it, you told us sometime in your former evidence that from time to time some money was placed to the credit of the general manager to be used—A. That was one of the systems.

Q. Is not that a type of overdrawal?—A. Oh, I do not think so.

Q. It is a credit in advance of the expenditure?—A. Yes.

Q. Is that right?—A. Quite right; but we do it all the time. A man is going on a trip to Vancouver and I get a voucher from his department head to provide \$200 for him. The man cannot wait, otherwise he would be financing his expenses and sometimes very heavy expenses out of his own pocket. I cannot see there is anything unusual in that.

Q. The reason I ask the question is this: I questioned you on that point in the evidence and you gave me the same reply and I can see that there is some force in what you say, but in connection with this particular voucher that we have before us, and I think we should include all the others too, there is such a paucity of information that I agree with the chairman that the method of doing business is entirely wrong. Now, Mr. Murray also told us that the voucher would show all the details of the expenditure—A. That is a relative term.

By Mr. Tripp:

Q. Mr. Chairman, may I ask the witness if it is not a common practice among big business to carry on on exactly the same procedure which he has described here to-day?

Mr. SLAGHT: Of course it is, certainly.

Mr. CLAXTON: It depends on the business.

The CHAIRMAN: Why was the suggestion made by you, if it is so, that you discuss it with Pickering?

Mr. TRIPP: May I get an answer to that question? Is it not a common practice for big business to advance moneys to agents or employees for expenditures which are later to be incurred?

The CHAIRMAN: And accounted for.

Mr. TRIPP: The accounting comes later. It is common practice to make advances.

The CHAIRMAN: Everybody admits that.

Mr. SLAGHT: Wholesale houses give the travellers lump sum drawing accounts, they may be fifty dollars or a hundred dollars or even a thousand dollars; and they use that and they have to account for it. What we have found here is, as someone has said, the paucity of detail in accounting. That is the system which has carried on there for some time, apparently; but as a matter of fact I think they have cleared that all up now.

By Mr. Claxton:

Q. When you referred in your statement to a budget heading "unallocated", you did not mean by that expenses which are not to be accounted for just as fully as any other expenditures?—A. Oh no; but it does give us a certain amount of leeway.

Q. It gives a certain amount of latitude to the general manager?—A. Yes; but I would like perhaps to make a little plainer the previous evidence, having regard to this particular voucher; or some of these vouchers, had not been passed by the departmental head. I say, there is no necessity why it should be. They had allowed for that in budgeting for any expense which the executive chose to make and not necessarily go through the department head. Now, for instance, if Mr. Murray recommends the employment of an orchestra in Toronto at a cost of \$1,000 a concert, that ordinarily would go to Mr. Bushnell, because it was a departmental matter; but there were a good many other things which did not go anywhere near Mr. Bushnell or any other departmental head, and where it was foreseen by the Board of Governors that that would be the case when they established this system of an unallocated item in the budget.

By the Chairman:

Q. And where it was unallocated it was never indicated that it was to be unaccounted for, was it?—A. Oh no. I think it has been accounted for.

The CHAIRMAN: There is no objection to an unallocated amount for a specific purpose; we do object to it being unaccounted for.

The WITNESS: Well, as to the extent of the details that the Board of Governors required of the executive, I do not know, because the treasurer has not and never has had access to the Board of Governors, and it is perfectly obvious that it has never been the wish that he should have; and I think that is very important, if I may say so.

By Mr. Coldwell:

Q. Is this change in any way due to the letter from Mr. Watson Sellar which nobody seems to know anything about? I think we ought to call the minister on that. That is the letter dated February 23, 1941. I examined Mr. Murray on that and I asked this question: In previous years had there been any allowance besides those I spoke of this morning? These are the allowances that you have—there is your salary, then there is an allowance at base, a per diem allowance and so forth, unlimited. And the answer I got was: no, except that a system was arranged that was a per diem, instead of putting in all small bills I had a per diem payment; was there any special allowance in 1938? no, sir, there was not—And I go on: were there any changes made in accounting between the \$1,000 and the \$2,000? and the answer is: not that I can recollect. What I am getting at is this: in the general manager's statement under examination it would appear that these expenses were for hotel bills and so on.—A. Oh no.

Q. Because he had no recollection of any other expenses of any other nature?—A. May I reply?

Q. Prior to 1941.—A. I have read over the evidence of the general manager, and the questions; and I am very sorry to say that in these discussions and questioning and explanations there seems to be an extraordinary confusion between what was for hotel expenses, what was the \$4,800 and what was the actual travelling expenses, meaning transportation; and what further were these expenses of which we heard just now. I agree that there is confusion there but I think it is very unfortunate. I know, and I can explain what took place. You referred, I think, to the Auditor General's letter. I think I know what you mean.

Q. At page 535, if you wish to look at it—A. The letter to Mr. Howe; I think you asked me and that I said that I thought Mr. Murray had shown it to me—I think perhaps I can throw some light on that.

Q. If you will, following the questioning through there:—

Q. So there is a salary which amount to what?—A. I get \$13,000.

Q. Is there a base allowance?—A. \$3,000 base allowance.

Q. And travelling expense?—A. Just as incurred.

Q. As to the amounts billed?—A. As incurred.

Q. When was that change made?—A. April last year.

Q. April, 1941?—A. Yes.

Q. That was subsequent to the letter of Mr. Watson Sellar?—A. I do not recall the date of the letter.

Q. February 25, 1941, I think, was it? Is that right?—A. The letter was not sent to us. As a matter of fact, I only heard of the letter indirectly.

Q. What did Mr. Howe do about it?—A. I don't know.

Q. It never came before the Board of Governors—A. It may have.

Q. Mr. Morin says no.—A. Then, he is the one to answer. It did not come before the board when I was there in any event.

Q. In previous years, had there been any other allowance besides those I have spoken of this morning?—A. No, except the other system was arranged that I had a per diem; instead of putting in my hotel bills I had a per diem payment.

Q. Was there any special allowance in 1938 for intelligence work?—A. No.

Q. Were any charges made amounting to between \$1,000 and \$2,000 for the intelligence work?—A. Not that I can recall. I will have the accounts looked up. I have the whole story here from the very beginning. On the 9th March, 1937, the general manager was granted by the board an allowance at a base of \$1,500 per annum. It was understood that this was to be a contribution to necessary standard of living at base.

On the 22nd March, 1938, this was raised to the sum of \$4,800 per annum. Of course, that was in 1938-1939, I did ask before if there were any other expense than those that were mentioned in the evidence; and the answer is, "no"; as I recall. You see, that is where the suspicion arises.—A. I can quite understand the confusion. You have three accounts and a frequently varying system, and it is difficult for us to follow. Believe me, I have the best accountant in Canada here, and he has difficulties sometimes, and I am right on his tail; but I do not think there is anything extraordinary about that. We know all about this. If I may say so, I am not a young man, I am not inexperienced, I should be permitted to say something—I think there is only one thing at stake, that is, whether the general manager of the C.B.C. in spending the sum of \$10,000 in six years in what as I said before should be called public relations—and I wish to God it had been called that before this—under the circumstances of the sanctions that he had from the board, did anything wrong. I contend he did not. All that can be said about it is that the Board of Governors perhaps were not sufficiently definite in their actions; that is up to them. But I think a very wrong impression of this is getting out.

Q. But Mr. Baldwin, you said that you thought that this particular type of expenditure and these particular expenses were given approval by the board subsequently; now, as I recall Mr. Pickering's evidence; the general manager rejected his suggestion that the board, or the chairman, be asked to give approval to these accounts.—A. I could not be held responsible for Mr. Pickering.

The CHAIRMAN: Just a minute, Mr. Baldwin, I want to get this clear; in view of that, that this was for public relations, according to Mr. Pickering's evidence, you discussed with him the advisability of the general manager withdrawing the items for that special expense, which would be public relations, in view of the fact that he was receiving a living allowance; is that correct?

The WITNESS: As I said before, I don't remember that; but I am quite willing to accept his statement on it.

By Mr. Coldwell:

Q. But the fact is that a certain number of accounts were withdrawn?—

A. They were withdrawn; but a great many other vouchers are withdrawn, and sent away and brought back and amended; I do not consider that anything extraordinary.

Q. Yes, but it was a large sum of money, and it was never paid. The inference that I think one takes from that, rightly or wrongly, is that if these accounts were withdrawn by the general manager they were improper; that if he was entitled to them he should have insisted on their being paid.

The CHAIRMAN: There could not be any suggestion of ever doing it in any other way if that were proper.

Mr. COLDWELL: That is the way it looks.

The WITNESS: All I can say, in the preparation of these two accounts—it is a very, very long matter where you go back and forth—and if you were trying to seek a formula—it happens again and again, every place that I have been that thing happens, and it is not at all surprising; and if every firm and every individual had to submit to a committee of this sort the details of their working papers in connection with or arising out of a situation of that kind—when they were having trips to Europe at one time, to New York at another time, and to Hollywood at another time—if they were doing these things and had to submit every detail that way, I submit that it would be a very serious state of affairs.

By Mr. Coldwell:

Q. Let me ask this question: with regard to the days that Mr. Pickering mentioned that were claimed by Mr. Murray when he was appearing before the parliamentary committee; you will recollect his evidence—I have forgotten how many days, covering that period; I think it was something like ten days, and then it was reduced to, or amended to five days; and Mr. Pickering, I think, showed us quite clearly they had not been proper claims, if I may put it that way; what happened to these claims?—A. I would say exactly what I said before; when a man is travelling in that way—

Q. That is not the question, the question was: what happened to those claims; were they paid?—A. Certainly not. No. They were merely working papers for arriving at the correct statement of his account for the period when he was actually absent. I think I made that clear early in the game. I made that clear in my original evidence here. I said a statement of days absent was given to him so that he could check that over; and Mr. Pickering said, I remember that very well, that they would be sent back to Mr. Keddy who was the secretary at that time, they can't be right; they came back corrected. I do not consider there is anything irregular in that.

By Mr. Slaght:

Q. Well, does that leave it that Mr. Pickering, the assistant to the general manager, was trying to tell the Board of Directors how they should run their affairs?—A. That is not for me to say.

Mr. SLAGHT: I did not hear all of the evidence. Did he take this in hand?

The CHAIRMAN: There is nothing to indicate that at any time Mr. Pickering attempted to dictate to the Board of Governors at all; he disagreed with the order in council and, like a man, he left.

Mr. SLAGHT: That is what I would expect him to do.

By Mr. Claxton:

Q. Mr. Baldwin, at what date was the change from \$10 to \$20 made? It was made effective as of April, 1939, I think; that is in evidence; but, as of what date was that change arrived at, and who arrived at it?—A. Really, I cannot tell you, from the information I have here. I would think it was in the course of the summer of 1939 that the change was made, because it meant that he had quite a credit coming to him as a result of that. I will get the date for you.

Q. Probably after Mr. Murray returned from England in August?

The CHAIRMAN: My recollection is that it was made retroactive to the beginning of the year, the 1st of April.

The WITNESS: Regarding this date on which the decision was taken—I think we can get that for you.

By Mr. Claxton:

Q. How was the decision made?—A. All the decisions were made by Mr. Murray himself, the only contact I had was with Mr. Murray; he instructed me when the change was to be made.

By Mr. Coldwell:

Q. It was made by Mr. Murray himself?—A. Yes.

Mr. COLDWELL: Surely, that could not be.

Mr. HANSON: Major Murray said that himself?

The WITNESS: He said that himself.

The CHAIRMAN: We have got this mixed

By Mr. Coldwell:

Q. What I am getting at is this; who made the decision that the per diem allowance should be \$20 instead of \$10?—A. I have no idea—Mr. Murray, himself.

Q. You would not surely tell this committee that the general manager could increase his per diem allowance from \$10 to \$20 himself?

The CHAIRMAN: No, no.

The WITNESS: He set it in the first place, certainly—he could have made it \$30 or \$40, there was no control over that whatever.

The CHAIRMAN: That is entirely wrong. The evidence of Mr. Morin and Mr. Nathanson is in absolute contradiction of that.

The WITNESS: I was not present at the Board of Governors, I can only tell you—

The CHAIRMAN: They set the per diem allowance.

The WITNESS: I think, as a matter of fact, that Mr. Watson Sellar's letter—if I remember, and I speak subject to correction—if we had it here—I think it would be worth while reading that letter; he refers to the idea of the propriety of the general manager setting a per diem allowance for himself. Now, that is the point; there are only two things the Auditor General criticized with respect to the general manager; one was the propriety of his setting a per diem allowance for himself.

By Mr. Coldwell:

Q. Do you mean to tell me, Mr. Baldwin, that if Mr. Murray came to you and said I have decided that my per diem allowance should be \$50 a day—you would not accept that?—A. Mr. Coldwell, it is exceedingly difficult for me to say at what point I would consider the issuing of moneys was unreasonable or suspicious; all I can say is—

Q. You told us this morning that Mr. Murray decided that that per diem allowance should be raised from \$10 to \$20 a day, and you say he did that on his own?—A. As far as I know.

Q. Wouldn't you ask for some authority?—A. No, he had every right to do it.

Q. He had every right to do it?—A. As far as I know.

By Mr. Hansell:

Q. As far as you are concerned?—A. As far as I was concerned that is one of the things that I hope is coming out here; he had every right to do it. And might we not have the Auditor General's letter?

Mr. COLDWELL: This is a public corporation spending public money; upon my soul, I never heard of anything like it.

Mr. HANSELL: I think there must be some other regulation about it. It seems to me the Board of Governors should make some regulation governing; otherwise, it is a reflection on the Board of Governors.

The WITNESS: I do not say that the Board of Governors did not do so; but it is not my recollection that I heard any evidence that they have done so; nor, do I think it is odd.

The CHAIRMAN: What page is that?

Mr. ISNOR: Pages 649 and 650—I am going to quote from them. Mr. Chairman, I think we are talking at cross purposes. Mr. Baldwin, in your evidence at page 650 you apparently had in mind a readjustment as far as expenses were concerned, not alone in regard to the general manager but in respect to other employees, and you considered the various classifications and decided on \$6, \$8 and \$10 per diem.

Then you came to the general manager, and from your experience in having written other firms including the Royal Trust Company, if I remember rightly, and other well-known firms, you suggested that \$20 would be a fair amount.

The WITNESS: Yes.

Mr. ISNOR: And I think that is perhaps where the \$20 came from. You agreed to the \$20 amount.

The WITNESS: Yes. I think that is it.

Mr. SLAGHT: This suggestion would go to the board, would it not?

Mr. ISNOR: I think it likely went to the board.

The WITNESS: Yes.

Mr. ISNOR: At the end of Mr. Watson Sellar's letter there is a discussion about the letter.

Mr. SLAGHT: May I ask this?

Mr. COLDWELL: Just a minute. Mr. Morin stated in his evidence that that letter had not been brought to the board.

Mr. ISNOR: I do not know.

Mr. COLDWELL: I think you are right, Mr. Baldwin, that the accounts show that \$20 is the amount claimed by the manager. This apparently has been selected by himself as being commensurate with his disbursements. I did not realize the significance of that sentence in Watson Sellar's letter at page 74.

Mr. HANSELL: And page 649.

Mr. CLAXTON: The letter appears twice, both on pages 73 and 74 and 649.

Mr. COLDWELL: Might I correct a date, Mr. Chairman? I have used the 23rd of February, I think, from memory; and I see it is dated the 25th.

Mr. CLAXTON: On the page opposite, page 75, I notice that Mr. Morin says, "So far as I remember, this is the first time that I heard of that letter."

By Mr. Slaght:

Q. May I ask this of Mr. Baldwin? You stated once or twice, as I apprehend it, that you had nothing to do with the board, you did not appear before them or they did not send for you; you were sort of in a compartment by yourself as treasurer and had very little to do with the board. Am I right in apprehending that?—A. Very little. I would like to make it clear, and it is perhaps not quite clear from my first evidence owing to, I think, a mistake in the text where a "not" should be put in, but that is neither here nor there. But I made it clear subsequently that I have from time to time been called in either to a meeting of the finance committee and in the very early days, formerly, to board meetings or from time to time one of them has come into my office and

asked for some specific information. But at no time was there any formal relationship or connection between the treasurer and the board; and that is as they wish it.

Q. What struck me is this. Perhaps you do not want to pass on it, but would it not occur to you that in an organization handling all the money here—\$4,000,000 a year, I think you told us,—a closer contact between the treasurer and the finance committee and the board is desirable? For instance, it occurs to me to suggest that the finance committee might well, at every meeting of the finance committee, send for the treasurer for five minutes and say, "How are things going? What is the routine? Are there any expenditures you would like to call our attention to or any items in your department?" Do you not think that contact of that kind might be desirable?—A. Surely, Mr. Slaght, it is not necessary for me to answer that question.

Q. Well, perhaps not. I am just giving my own views on that sort of thing.

By Mr. Coldwell:

Q. Mr. Baldwin, this Watson Sellar letter was only shown to you casually?—A. Quite casually, or it might have been a copy. I have a memory that Mr. Murray either had a copy of it or something; I can remember, that he said, "Look at that, Baldwin. What do you think of it?" I can almost be certain that I said, "Well, I think it is very technical."

Q. In this letter the Auditor questioned the authority of the board?—A. He did two things. He questioned the authority of the board to give the general manager an allowance of \$4,800 a year almost in lieu of salary which they had not reduced. I think that is the first point.

Q. That is the first point.—A. And the second point is he questioned—and I do not quite remember his reasons,—but they are perfectly good technically—the propriety of a per diem allowance—there is always that trouble in the civil service—to the general manager.

Q. Let me follow that up with this question. This letter was shown to you by the general manager?—A. Well, as I say I do not know whether it was the letter or a copy of the letter.

Q. A copy or something?—A. Yes.

Q. Was shown to you by the general manager?—A. Yes.

Q. Mr. Morin had never seen this letter. The chairman of the board, apparently from his evidence, had not seen it. Whose duty would it be to show that to the finance committee or the board?—A. I do not know. I had nothing to do with the Board of Governors or the finance committee or the relations between the finance committee and the executive.

Q. Here we have a letter from the Auditor General questioning the regularity of certain procedures regarding the payment of money. Apparently the chairman of the Board of Governors never saw it; and you, as treasurer, only saw it casually.

Mr. HANSON: The letter is directed to the minister. The minister would be the one.

Mr. COLDWELL: Yes. But it got into someone's hands in the corporation, somebody in charge; or it would not have been shown to Mr. Baldwin.

Mr. CLAXTON: Mr. Murray gave some evidence on that.

Mr. COLDWELL: I have forgotten exactly what he said.

By Mr. Coldwell:

Q. I was going to ask another question, Mr. Baldwin. We were talking about the vouchers of the general manager. Does the assistant general manager put in vouchers like these?—A. The assistant general manager, as far as I am aware, has always given detailed vouchers.

Q. He has always given detailed vouchers?—A. Yes; as far as I remember.

Q. And have they amounted to considerate sums?—A. No; very insignificant.

Q. I noticed that from a parliamentary return.—A. I would say that the only considerable sums that the assistant general manager has had is when he has had trips abroad. He took a trip to Cairo, which was quite expensive, and I think possibly to Mexico—Havana, yes. Apart from that, Dr. Frigon's expenses have been very insignificant.

By Mr. Claxton:

Q. Both were to attend conventions or conferences dealing with radio telegraph?—A. Yes.

Mr. SLAGHT: Apropos of my suggestion a moment ago, my attention is called to the evidence of Dr. Frigon which shows that there is a closer contact maintained now. He says at page 253:—

The treasurer also submits financial statements; a monthly report known as "treasurer's notes to the assistant general manager," is also prepared, in which are listed all expenditures which do not come within the routine of budget administration. It covers all expenditures, which, in the opinion of the treasurer, require special attention, or need to be specially noted. The treasurer's notes are then submitted to the finance committee so that the latter is fully informed, on a monthly basis, of what is going on.

So now that seems to be a check that was not previously in vogue. Is that the position?

The WITNESS: Yes; I report to the executive and the executive reports to the board.

Mr. SLAGHT: I think we should understand that. We are always living and learning.

Mr. COLDWELL: That is right.

Mr. HANSELL: Mr. Chairman, on page 537, where I think Mr. Murray is giving evidence, there occurs a statement in which there are several questions asked. Starting near the bottom of the page, it reads:—

Q. Were any expenditures made during that year that were not authorized by the board?—A. No, I cannot recall any. Certainly they are all reviewed in the most intimate detail. You see, there are three checks, our own treasurer, and then there is a second check in the case of the controller of finance. Then there is the Auditor General's representative who is in constant attendance. He is an officer living on our premises; he makes reports constantly and independently of us. Then there is the finance committee which reviews everything, and that committee examines every hotel bill that is incurred.

Might I ask if, to the knowledge of the treasurer—perhaps he can answer this or perhaps he cannot—these several items in this voucher were reviewed by the finance committee?

The CHAIRMAN: Mr. Hansell, this voucher is back in 1939.

Mr. HANSELL: Yes. That is the answer I want to get on the record.

The WITNESS: I have no idea.

Mr. HANSELL: The answer would be that if it occurred to-day, the finance committee would review it.

The CHAIRMAN: They would follow that system.

Mr. HANSELL: Yes.

The CHAIRMAN: The system which was in vogue in March, 1939, when this came up, was different.

The WITNESS: Yes, it was different.

The CHAIRMAN: Exactly. I think that answers the question, does it not?

Mr. HANSELL: Yes.

The WITNESS: Mr. Hansell, may I say that this may very well have been discussed by the finance committee. I am not in a position to know. You have the general manager's evidence there. I would certainly not like to suggest that it had not been.

Mr. HANSELL: No.

The WITNESS: But I am not in a position to say that it was or to say that it was not, nor as to the nature of the conversation which took place at the board meetings or committee meetings.

Mr. HANSELL: I see. The thing that strikes me in connection with the voucher is simply this. May I have it for a moment, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. HANSELL: There are no details given whatever. Here, for instance, is January 12. It simply says, "Thursday, Toronto, \$90." Well, of course, I am not questioning that that amount was spent; and \$90 is only pin money compared to the millions that are spent. But you cannot tell the people of Canada that.

The CHAIRMAN: That is the whole thing.

Mr. HANSELL: My constituents look at 9 cents more thoroughly perhaps than you would look at \$9. It does seem to me that in a voucher of that kind some little detail could be given as to whether it was a conference with the executive of the National Broadcasting Company or whether that involved sending a special plane to Toronto, or something or other. It does seem to me there could be some few details in connection with that. Of course, I am not very experienced when it comes to matters of that kind.

Mr. HANSON: According to the evidence given to-day, from 1941 on they are specified.

Mr. HANSELL: Yes. That satisfies me as far as this is concerned.

Mr. HANSON: It shows another reason why this committee should sit every year, instead of trying to dig into things away back years ago.

Mr. HANSELL: Yes. It also shows you, Mr. Chairman, that the Board of Governors should be a little bit more on their toes. I think they should meet more often and scrutinize things a little more carefully. That is my opinion.

The CHAIRMAN: Are there any further questions of Mr. Baldwin?

By Mr. Claxton:

Q. This document attached to the voucher, and forming part of it, I take it, is headed "Intelligence service expense sheets." There are no additional sheets, are there, than this sheet?—A. That is the whole thing. I cannot see from here. No, that is as it reached the accountant.

Q. Was this summarized from other sheets?—A. No. That would have been handed in.

Q. This is all you ever had?—A. This is all we ever had.

By Mr. Coldwell:

Q. Are you tabling the other vouchers that appear on this?—A. Yes; if I may say so again, subject to the suggestion that they should not be given beyond this committee.

Q. If any one of them needed to be mentioned for further questioning or anything, I think I would not be prepared to give any undertaking that I would not refer to any voucher that you have tabled.—A. You asked for the vouchers the other day, and I have brought them with me or rather copies. The originals can be verified at any time.

Q. They are copies?—A. Yes, they are copies. It is just a matter of going down to the basement and getting out the originals.

Q. The copies are all right.

The CHAIRMAN: I want to read this just to show how things get slack. Here is what appears on the back of the Canadian Broadcasting sheet:—

NOTE.—In presenting statements of expenditure to the Canadian Broadcasting Corporation this form must always be used and submitted to the Corporation in triplicate. The certificate at the bottom of the form must be signed by the person presenting the statement and duplicate invoices covering each item of expenditure must be attached to the statement.

Railway receipts for chair car seats or berths must be attached to claim for travelling expenses.

The WITNESS: May I make a comment on that, Mr. Chairman?

The CHAIRMAN: Any comment that will explain it will be gladly received.

The WITNESS: The forms there are for ordinary travelling expenses of employees. I do not know that it should necessarily be made out in that form at all. I do not think it was ever intended that executive orders, which these are, were necessarily applicable to the general manager.

By Mr. Coldwell:

Q. Did Dr. Frigon when he made out his expense account make it out on that form—A. Yes.

Q. Did he enclose details?—A. I should think so, quite likely.

By the Chairman:

Q. Now, Mr. Baldwin, I am going to ask you one more important question and you can answer it or it. Is it not a fact at the time when this account was presented the general manager was overdrawn to this amount and that this account was made up to cover that overdrawal?—A. I have got no reason to suppose that was the case.

The CHAIRMAN: I have very grave suspicions myself.

Mr. ISNOR: I think that is a very very unfair statement, Mr. Chairman.

The CHAIRMAN: There has not been a satisfactory explanation made here of it and there have been plenty of opportunities.

Mr. ISNOR: We might think the same in regard to the method of accounting carried on, but to make a statement like that is hardly fair.

The CHAIRMAN: Any further questioning?

By Mr. Claxton:

Q. At the time that that voucher was presented to you you were following the practice, I think you described before, of putting to the credit of the general manager sums of money in a special bank account which would be used, and then account would be made to you later; is that correct?—A. I cannot remember if it was at that time or not.

By Mr. Coldwell:

Q. Is there such an account to-day, Mr. Baldwin?—A. No. It was, I think, a mere matter of convenience. I think probably I suggested it; that it

helped us to keep track of things if he had a checking account or helped him to keep track of the things; so we merely put it in the special account rather than handing the money over to him. He would not have to carry cash around; he could issue cheques.

By Mr. Claxton:

Q. You do not remember whether such an account was in existence in March 1939?—A. I do not, but I can easily find out.

By Mr. Isnor:

Q. If the general manager had expended the full amount during those six years to which he was entitled would it have accounted for—A. It is not specified that he is entitled to anything; there is no ceiling on the general manager's expenses at all.

Q. No ceiling?—A. No ceiling.

Q. You say—A. Subject to the budget, I would say. Therefore you might say that the budget is the ceiling, but apart from that there is no ceiling.

Q. You showed in your evidence that during the period of six years he had expended a certain amount.—A. Yes.

Q. And the average yearly expenses would show \$1,666 or \$1,677, certainly not up to \$1,700, as I figured it.

Mr. COLDWELL: \$2,500, I think.

The WITNESS: I do not recognize the figures, sir.

By Mr. Isnor:

Q. Did you not say in those six years he spent \$10,000?—A. You are talking about this specific public relations expenses?

Q. Yes.—A. I reckon about \$10,000 in six years.

By the Chairman:

Q. About \$1,600.—A. I am sorry. The confusion is caused by sometimes we are talking about 31st March, 1941. The general manager's evidence was given that way, I think, for some reason or other. At another time we are dealing with to the end of 1942; another time we have dealt only to the end of the last fiscal year. Does that make it clear?

Q. To avoid confusion: is not this a fact; Major Murray was getting a salary of \$13,000?—A. Yes.

Q. And in addition to that he was allowed \$3,000 at base, which he takes annually?—A. Yes.

Q. When he is away he gets today \$20 per diem?—A. No.

Q. What does he get today?—A. Actual expenses.

Q. Actual expenses; he gets his actual expenses when he is away from base—but he did get \$20 a day at the time of this particular account?—A. Yes.

Q. So that the \$1,666 which Mr. Isnor mentions would be over and above all the other payments?—A. Yes.

The CHAIRMAN: Yes, but actually paid when vouchers are presented; and then, for special expenses, he has averaged \$10,000 for the past six years and that works out around \$1,600 a year.

Mr. COLDWELL: And he was allowed \$20 in addition to that?

The CHAIRMAN: At one time.

Mr. COLDWELL: That was paid to the general manager when he was away from base?

The CHAIRMAN: At one time.

Mr. HANSON: But that has been changed now.

Mr. COLDWELL: Oh yes. Just this last year I know there was a change.

The CHAIRMAN: There have been a lot of changes in the arrangement.

The WITNESS: It was \$10 per diem and then it was \$20, and after all that was for rooms and meals at hotels.

The CHAIRMAN: And when it was \$10 a day he had \$4,800 instead of \$3,000?

Mr. COLDWELL: That is right.

The CHAIRMAN: Let us get the whole thing in one space.

The WITNESS: I do not think that is the case, Mr. Chairman.

The CHAIRMAN: Part of the time—when he was getting \$4,800 a year he was on that \$10 per diem allowance.

The WITNESS: Part of the time, yes.

The CHAIRMAN: When he got the \$3,000 a year the per diem allowance was boosted—I think you will find that.

The WITNESS: I have no memory of that.

By Mr. Coldwell:

Q. What was the total amount paid to the general manager on all accounts and for all purposes; let us say for the year we discussed, the year ending in 1940?—A. May I say the fiscal year ending the 31st of March, 1940? Our accounts are by fiscal years. I will get you that.

Q. I want to know that total amount?—A. The total amount is \$14,885.01.

Q. Wait a minute: he gets \$13,000 salary a year?—A. It has nothing to do with the salary.

Q. Add the salary on?—A. All right, \$27,885.01.

Q. That is the total amount?

By Mr. Claxton:

Q. Could we have that? The amount that you have given us is a different figure from anything that we have had before.—A. It is just added together, there is nothing new except that they have added the salary, the travelling account, the special allowance at base and the allowance away from base—I can give you all those.

Q. Will you give us the details?—A. Travelling account, \$5,692.56—which includes the trip to England; special duty allowance at base, \$4,800; and duty allowance away from base, or public relations that I spoke of, \$4,392.45.

Q. I would like to deduct the trip to England; what was the amount of that?—A. The trip to England?

Q. Yes.—A. The total expense of the trip to England was \$3,604.50.

Q. What was the last item you mentioned—that \$4,000 some odd?—A. The duty allowance, what we have been talking about all the time, away from base expense, or public relations.

Q. What was that amount?—A. \$4,392.45.

By Mr. Coldwell:

Q. That is in addition to the base allowance?—A. Yes, sir.

By Mr. Claxton:

Q. Do these amounts that you have given us make the total amount that you gave earlier?—A. Yes, exactly \$27,885.01, including the \$13,000 salary.

The CHAIRMAN: It is now 1 o'clock. What is the wish of the committee about sitting this afternoon? Do you think we should sit at 4 o'clock?

Some Hon. MEMBERS: Yes.

The committee adjourned at 1.05 o'clock p.m. to meet again at 4 o'clock p.m. this day.

AFTERNOON SESSION

The committee resumed at 4 o'clock.

The CHAIRMAN: Order. Mrs. Casselman and gentlemen, we have a quorum and we shall now proceed.

Mrs. CASSELMAN: There is one little point that might be corrected in a statement I made which appears on page 806 of the Minutes and Proceedings and Evidence. I asked the question: "How far out can the Alberta university station be heard?" As it stands here it says: "How far out can the Alberta station be heard?" As I say, the word "university" should be inserted after the word "Alberta." Then the following question I am reported as having said: "I know the station of the C.B.C. reaches a lot of country. . ." and so on. The letters C.B.C. should be changed to CKUA. I should like to have that correction made. As it stands there is no point in the question.

The CHAIRMAN: The trouble is I do not know whether it will be reprinted.

Mrs. CASSELMAN: It will be in to-day's proceedings and anybody reading it will see it.

The CHAIRMAN: Now we shall continue where we left off this morning in reference to the questioning of Mr. Baldwin.

Mr. H. BALDWIN resumed the stand.

The CHAIRMAN: In the meantime as requested the Dilworth report and other documents pertaining to what might be called the Vancouver incident or question have been tabled.

Mr. COLDWELL: I was looking over the list of vouchers, Mr. Chairman, and there are two or three questions in connection with them that I should like to ask.

By Mr. Coldwell:

Q. What was the total amount paid to the general manager for the year 1940-41 before the new arrangement went into effect, including salary and expenses?—A. \$27,488.70.

Q. And the year before?—A. Just about the same, \$27,885.01. I am adding the \$13,000 of salary to the statement each year showing the ordinary traveling expense account which means the cost of transportation, hotel, if there is any, special duty allowances, duty allowances away from base, which makes up that total to which has been added the salary. Is that what you mean?

By Mr. Slaght:

Q. What is the salary?—A. \$13,000 for those years.

By Mr. Coldwell:

Q. I notice a large number of vouchers listed. I have looked them over and they are in most instances simply "Voucher Only." Out of some \$5,600 I think about \$4,700 are simply marked "Voucher Only"; in other cases we have the number. What is the distinction between the two types?—A. The term "Voucher Only" is purely a matter of local arrangement in the accounting office; it means that it has been put in as a voucher for a previous advance. It has no significance as distinct for your purpose from one voucher and another. The boys who look after that, if they get something which is to be paid for at the moment by cheque, they do not put that on it. If it is a voucher for something that has already been paid it is marked that way. That is all it means.

Q. I thought perhaps that the numbers might have some significance. There are no particulars other than what appear on the voucher?—A. None.

Q. I notice in practically every case running up to, as I said, \$5,697 in that year, all we have is "Special duty," and so on, and the name of the place where the money was spent. Nothing else was submitted?—A. No.

Mr. SLAGHT: Are there any far-flung places, the United States or Canada?

Mr. COLDWELL: I think there are one or two probably for New York and Chicago, if I remember correctly. I have been only able to give those a cursory glance. I find here "Toronto, Montreal, Hamilton," and so on.

The WITNESS: May I interject here in the particular year, which is a heavy year, there are considerable items for the English trip, if I remember rightly.

By Mr. Coldwell:

Q. Was that 1939-40?—A. I thought you were talking about that.

Q. No, I am talking about 1940-41.—A. I am sorry.

Q. July 9-10, Montreal, \$85, Toronto, \$50.50, a total of \$135.50. There are no other particulars. I notice one other thing among those papers. It is true it is far back, but it is a copy of a bill from a gentleman who walked into a hotel apparently and made the statement that "I have been authorized by the general manager to invite a couple of guests to dinner." The dinner was had. It did not amount to very much, \$14 or \$15, and he was instructed to forward the bill to the general manager, and the bill apparently was paid. Is that an infrequent sort of payment?—A. Very infrequent, I should think.

Mr. HANSON: There is nothing wrong with that, I should think.

Mr. COLDWELL: I just happened to run across it when I looked through the letter from the hotel.

The WITNESS: So much so I remember the incident very well.

By Mr. Coldwell:

Q. It is a letter from the hotel saying this man called. The letter was addressed to Mr. Murray asking that the bill be paid and it was paid, apparently.—A. I think it was a man working for us at the time, apparently. I think you know the name.

Q. Yes, I know the name but I did not want to introduce the name here.—A. I quite understand.

Q. I just looked through it in a cursory way. I say this just emphasizes the point of view we have been expressing to-day, that we should do away with this system of handling public accounts. It is bad for the officials concerned as well as for the corporation.

The CHAIRMAN: Are there any further questions?

Mr. HANSON: What are we waiting for?

The CHAIRMAN: These gentlemen were looking over these vouchers. We have not had them long enough for the members of the committee to see them. Are there any further questions with reference to the matter with which we have been dealing or does that close it?

By Mr. Coldwell:

Q. There is just one point I want to be clear about with regard to the evidence of Mr. Pickering relating to an account of about \$1,000 following the voucher for \$1,003. That was not paid by the corporation, but was withdrawn, and later in the year, the end of August—am I right in that date?—A. Yes, 1939.

Q. It was decided the per diem allowance should be raised to \$20 and made retroactive from April 1—I want to get this clear—and the revised amount given to the general manager to wipe out the account which was withdrawn, was that it?—A. I am sorry to say I could not put it that way myself.

Q. Would you put it the right way?—A. They were quite independent one of the other and it was coincidental that one balanced the other. I have no reason to suppose that there was a deliberate change in order to cover something that was withdrawn.

By the Chairman:

Q. The main point is both were not paid?—A. Quite so.

Q. That is the point you want to know?

By Mr. Coldwell:

Q. Both were not paid?—A. No.

By the Chairman:

Q. The per diem allowance washed out the account?—A. I am sorry, it is not just to put it that way.

Q. Let us have an explanation.—A. There were two separate funds, one was the accounting for a considerable amount of advances where the accounts were put forward from time to time, brought back and corrected because the dates were wrong, went back and forward between Mr. Murray's office and the accounts office for maybe half a dozen times. Now as between their first appearance in the accounting office we will say, when there were these specific vouchers, and as I say, I took it for granted, it does not surprise me, and it might easily have happened, at the time the final accounting was made it was a matter very often of trial and error when it ceased. Now, that was all. Now, these special accounts were not in the total accounts finally submitted and approved on the final accounting. That was one story. Now the other story was that in the course of the fiscal year commencing 1st of April, 1939, Mr. Murray's hotel or travelling allowance was increased from \$10 to \$20 and when that increase took place three or four months after the 1st of April and was made retroactive I think the same thing happened; that is, at base allowance he was getting \$2,000 and some months after the 1st of April it was increased to \$4,800. I have no reason to suppose that one event was dependent on the other.

By Mr. Coldwell:

Q. Coincidental, if I may put it that way. Coincidentally the account which had been presented for certain payment was withdrawn when the per diem allowance was raised to \$20 and made retroactive; is that fair?—A. I think that is fair, coincidentally.

Q. Then, this point arises in my mind. If these payments were proper payments to claim, why were they withdrawn at all?—A. Well, I can understand that in the very unusual circumstances of this type of expenses that if you had company money in one pocket and your own money in the other it was almost inevitable to get mixed or that you might very easily pay some company bills out of your own pocket and say, "We will let it go at that." I would think that would happen. Certainly that is what occurs to me now.

Q. Was there any quid pro quo? Did you discuss this with Mr. Murray about that time?—A. Oh, no. In fact, I never thought of it until it came up the other day. I never thought of it again. It may be coincidental and I have given in my evidence that it may well be that Mr. Murray said, "That

is the sort of thing I had better absorb myself." I have not a doubt he absorbed very many other charges and the amount then was changed and amended. It may well have been done half a dozen times before that.

By Mr. Hanson:

Q. Ten dollars was not sufficient to pay the necessary expenses and when it was raised to \$20 the money that he had paid out when it was at \$10 a day was taken care of. Maybe he felt since he got the increase retroactive that he could take care of it out of the increase. It seems to me that is just about as plain as plain can be.

By Mr. Claxton:

Q. Is that correct? I doubt it on the evidence.—A. I do not know; I think it is anybody's guess. I think you cannot say anything certain about it; I think it would be very difficult to reply; but it does not strike me as being very odd in the nature of the payments and the nature of the accounting that there should be a change as a result of perhaps Mr. Murray's finding that he had accumulated, as I said before, some reserves as a result of his living allowances and travelling allowances being made retroactive.

By Mr. Slaght:

Q. Did the board at the end of the year by acquiescence approve of the dating back of the allowances when they passed the annual statement of the disbursements, including that item?—A. Including that item whether—

Q. Did the board generally approve of it?—A. Yes.

Mr. COLDWELL: The Auditor General protested against the general manager fixing his own expenses.

Mr. ISNOR: Your contention would be the C.B.C. still owe Mr. Murray \$1,000; is that 'it, Mr. Coldwell?

Mr. COLDWELL: I am not saying that; we are trying to find out what did happen.

Mr. SLAGHT: You are not going to move that the extra \$1,000 be paid?

Mr. COLDWELL: I will leave that to you if you think it right.

By Mr. Slaght:

Q. The salary we have heard is \$13,000. How long has it been \$13,000, back how many years? Is that the present salary?—A. That is the present salary.

Q. How far back did that go?—A. I think at the inception of the corporation; there has never been any change in the salary as such.

Q. Since the beginning?—A. Yes.

Q. Now, I had occasion about a year ago to investigate the salaries of the general managers of banks and joint general managers of banks, general managers of trust companies and general managers of some of the larger mining companies. Would it be in accord with your notion of the way these run that the general managers of banks and in some banks like the Bank of Montreal where they have joint general managers and the managers of trust companies and the McIntyre Mining Company that they run from \$25,000 to in the neighbourhood of \$30,000 per annum?—A. That would be my opinion, \$20,000, \$25,000 or \$30,000.

Q. I cannot give evidence, but that is the result of my investigation, and you in your capacity of treasurer would have a general idea of that?—A. I would think that is a fair statement.

Mr. SLAGHT: Aside altogether from Mr. Murray, the terrific duties devolving upon the manager of this corporation, the responsibility to the public and the security of the country at large; with all that, \$20,000 and \$25,000 a year for Mr. Murray surely would not be inadequate for a job of that type. Of course, you would not want to comment on that yourself as treasurer—I might suggest raising your salary.

The WITNESS: No, I would not care to comment on that.

Mr. HANSON: With all the responsibilities attaching to that job of general manager it seems to me what we are paying is not out of line. I may say that I have not heard anybody complaining that we were over-paying him; personally I should think \$15,000 a year would be more in line.

Mr. CLAXTON: There have not been any complaints about it being too low?

The CHAIRMAN: No, not at all.

Mr. SLAGHT: I do not think it would be a good thing at a time like this, in wartime, to raise a man's salary. I am putting the view I have as a result of my investigations. It is an extremely small figure.

Mr. COLDWELL: Who decides the salary?

The CHAIRMAN: The general manager is appointed by the governor in council whom I presume set his salary, and we have nothing to do with it one way or another in this committee. We might make some recommendation about it.

Mr. SLAGHT: I don't suppose he could tell us what the income tax on that would amount to?

The CHAIRMAN: It would be the same as for anybody else.

The WITNESS: You had better ask Mr. Bramah here about that.

Mr. COLDWELL: The other allowances, at base, and so forth, are not subject to income tax I am told.

Mr. SLAGHT: They are all paid out.

The CHAIRMAN: We might clear this up. I will just recall to you Mr. Pickering's evidence:

"Q. The second item of \$1,000 was held in abeyance. Do you know as to whether that was paid to Mr. Murray?—A. No. As I indicated here the special expenses were wiped out by virtue of the retroactive amounts becoming available to the general manager".

By Mr. Claxton:

Q. You mentioned two of these amounts covered by the file of vouchers; I think perhaps it would be interesting to put the other two on record, that in 1937-38 duty expenses away from base totalled \$97.30.—A. Yes.

Q. In 1938-39 the duty expenses away from base totalled \$1,342.89; which apparently includes this item of \$1,003 which we have been discussing before this committee.—A. Yes, sir.

Q. So that the heading, duty expenses away from base is not quite descriptive; it includes duty expenses away from base plus his special series of expenditures that we have heard so much about?—A. I think what you say is of importance, that probably the titles of the accounts, which have changed from time to time, have been rather poor.

Q. Perhaps?—A. I tried to bring that out this morning, and I will accept full blame for it, if blame there be; that had we had that phrase from the beginning and called it "public relations" it would have been clear, and it did not matter very much whether it was put down in one place or another.

Q. Then for the year 1939-40 have you that figure?—A. \$4,392.45.

Q. That is right, isn't it?—A. Yes, but may I point out that includes a considerable item for the trip to England.

Q. What was that amount, precisely?—A. Precisely it was \$1,385.33.

Q. Where is that?—A. I do not know if you have the same statement as I have. I will give you that.

Q. Oh yes, this figure of \$1,244.33 and another one of \$141—isn't that right, those two add up to the figure which you just mentioned?—A. Yes, to \$1,385.33.

Q. That is for the year 1940-41 and the total you gave is \$4,355.40.—A. No, that is the 1939-40.

Q. And the figure I have just mentioned is for 1940-41? I am sorry, it is \$5,692.56.—A. That is correct, sir.

Q. In the evidence before some of the figures were given for expenses—at page 552 of the evidence—and those figures did not seem to coincide at all. Do they cover different expenditures from the ones we have just gone over?—A. No. They were up to the end of the calendar year. I do not know how it happened or why it happened but in some of the evidence the totals were given to the end of the calendar year, December 31st, 1941. I thought it was early in the session, or that there was some reason for that. Would you mind just leaving that for reference and I will have it looked up for you.

Mr. ISNOR: You have given the figure just now exactly as you gave it this morning.

Mr. CLAXTON: It is the same figure which I just mentioned just now, I have here in my notes for this morning—\$5,692.

Mr. HANSON: They are the same figures. I do not know what they are arguing about.

Mr. CLAXTON: Well then, I think perhaps Mr. Hanson is right and that I am right also; the figure of \$5,692.56 which I mentioned for the year 1939-1940 on page 552 is for "travelling, ordinary" and this figure I have just mentioned, \$4,392.45, is for duty allowance away from base; so the two figures are separate figures covering separate sets of expenditures and are not in any way included the one in the other.

Mr. SLAGHT: What is the first item, travelling, ordinary?

Mr. CLAXTON: Yes.

Mr. SLAGHT: And the second item?

Mr. CLAXTON: Duty allowance away from base. That should be clear and above board and anybody ought to be able to read it; the one was for duty allowance away from base, a special class, and the other was for ordinary travelling.

By Mr. Claxton:

Q. Ist that correct?—A. Yes.

By Mr. Coldwell:

Q. Were you aware of this Vancouver situation?—A. Yes, sir.

Q. I have just had a glance at a letter here on this file by you in which you were pretty caustic in your comments regarding that situation?—A. Yes, sir, I was.

Q. You say:

The manipulation of payrolls is, in my opinion, essentially dishonest. In a lifetime of experience of varying types of dishonesties which come to the attention of a chartered accountant, I cannot remember an instance of such bold and impertinent conspiracy. While the actual amount

involved is not great, the sustaining spirit of dishonesty is shocking. I am aware that those who have not had to deal with other people's money are extraordinarily unaware of their obligations, and that trust funds are more often lost as a result of ignorance and carelessness than dishonesty, but these instances at Vancouver disclose a studied conspiracy to divert public funds from their authorized objective into the pockets of those immediately concerned with their own enrichment.

That is a letter from Mr. Baldwin to the general manager dated February 27th, 1939. And I would say, it is a very proper comment to make. I have not had time to read more.

The WITNESS: May I make a comment there?

Mr. COLDWELL: Yes.

The WITNESS: I think that was early in the year 1939—

Mr. COLDWELL: That was on the 27th of February.

The WITNESS: That was written when the event was first brought to my attention.

By Mr. Coldwell:

Q. You did not know this before that?—A. I did not know of it before that.

Q. This had been going on for years apparently?—A. I think it had its genesis under the commission and petered out under us.

Q. And was continued with the corporation?—A. It petered out under the corporation.

Q. This was the first time it was brought to your attention?—A. That is the first time it was brought to my attention.

Q. When was it discovered, have you any idea?—A. I should think about a month or so before that, as far as I know. I remember I thought it was a little late in the day. But if one may at this late date modify his statement I would be very glad now to be permitted to put on the record a description of the incidents which I wrote perhaps in a mellower tone months afterwards, after I learned the actual details of what I spoke of so very severely there, and I think it would be a fair thing if I read it. I will read it to you now.

Mr. COLDWELL: Yes, go ahead; I think that is fair.

Mr. HANSON: Yes.

The WITNESS: That after all was done in the heat of the moment and I was exceedingly angry at the time.

The CHAIRMAN: And the thing concerns Mr. Murray; if you look at that correspondence, you will see where he pressed for this investigation.

Mr. COLDWELL: Yes. I have not been able to go through it yet.

Mr. HANSON: This thing is all cleared up but I think it is a good thing to satisfy the public. If we have that letter to which Mr. Baldwin has referred in the record then we could all satisfy ourselves that it was looked into and cleared up.

The WITNESS: Well, if I may sketch in a background here, the Vancouver situation has come up again and again whenever critics of the C.B.C. foregather, and early—a year ago, to be exact—I have the date here, March 12, 1941, I was asked about it; and I put down in writing just for my own and probably for Mr. Dilworth's information—he wanted to know what I thought of it—my impressions, you see are much more mellow impressions than those I gave in the letter which you read, Mr. Coldwell.

The CHAIRMAN: By whom were you asked about it?

The WITNESS: Frankly, I don't remember, sir; it came up so often, people were always coming and telling these stories of the terrible dishonesties at Vancouver.

The CHAIRMAN: Yes, but the point I want to get at is; there were other critics of the C.B.C. than parliamentary committees.

The WITNESS: I am not suggesting it was a parliamentary committee, sir; not for a moment.

The CHAIRMAN: No, just to clarify the point.

The WITNESS: Let me make quite sure of that, it had nothing whatever to do with any committee.

Mr. COLDWELL: As a matter of fact, I did not know what this Vancouver situation was until Saturday, so I am not one of the critics who referred to Vancouver; although I wondered what Mr. Plaunt meant; and I had no idea although I heard him elaborate some of the points of criticism he had made of the corporation's management. I did not know about this particular incident until Saturday.

Mr. SLAGHT: Can we get Mr. Baldwin's statement?

The CHAIRMAN: Go ahead and we will get this cleared up.

The WITNESS: I have this to say:—

Technical dishonesties at Vancouver were discovered by Mr. Dilworth soon after he became the manager in 1938. A most complete examination of the irregularities disclosed was conducted personally by the chairman of the board and the chief executive assistant at Vancouver and later at Ottawa. The employee immediately implicated was suspended for sometime and ultimately transferred from Vancouver to Watrous and then to Winnipeg.

I may interject that he is no longer in the corporation's employ, poor fellow.

The total amount involved was approximately \$3,000 and was evidence more of bad judgment than of essential dishonesty. The incident looms sinister out of proportion to its essential dishonesty. What actually happened was this:—

Ever since the days of the commission and even during the first year of the corporation's life, Vancouver suffered particularly because of the distance which separated it from head office. While the managers of offices within easy range of Ottawa could come to Ottawa and plead the cause of their employees for increases or plead their own cause when asking for additional office assistance, Vancouver did not always get the attention it deserved. Now in these early days there was not that clear line of demarkation between those who work on programs and those who did clerical and other work. Neither had there been any clear distinction made between the program charges and other charges. Everyone was working for programs whether they wrote in books or wrote scripts or answered telephones.

If I may digress for a moment, I think this is very important: at the time the commission was running Vancouver, the commission as you know was under the treasury board and under the civil service and treasury board regulations regarding the employment of staff and staff problems. You could not get a stenographer. You could not get a switchboard operator. You could not get an office-boy, without going through the ordinary treasury board procedure to get them. That was very very difficult. On the other hand, it was comparatively easy, curiously enough, to obtain large sums of money for the payment

of artists who after all had to be paid every week if they were going to perform; so you have this curious anomaly of not being able to get \$7 a week to hire an office-boy, or \$16 a week to hire a switchboard operator, but you could get \$25 very easily for one hundred artists who appeared on the payroll. It is quite important that that should be brought out, because the whole of the staff people were under the control I think of the civil service, if not the civil service at least the treasury board, and the artists were not. That is important, I think.

The CHAIRMAN: That is why some of them had to be put on the artists' payroll.

The WITNESS: Exactly.

It was not a difficult matter to obtain prompt pay for anyone whose name appeared on the artists' payroll. It was an exceedingly difficult matter to obtain from head office permission to hire a telephone operator, a stenographer or a clerical assistant, still more difficult was it to obtain increases for these employees no matter what extra work was thrown upon them. It became the custom, therefore, to arrange for small bonuses or even for the payment of, say, a switchboard operator by placing the name of the employee on the artists' payroll, and obtaining some pay for them. In some instances, it would be fair to say that the employees so compensated had done some work such as copying or supervising production on the program concerned and it might even have been argued that a switchboard operator had had something directly to do with the program by telephoning to artists, etc., etc. Be that as it may, the abuse was established and like all abuses grew. It should, however, be remembered that these irregular payments were all regularly given for service rendered to the corporation and were probably well earned. All those concerned with the so-called fraud were people of great inexperience in the handling of money and could hardly have expected to know how terrifying can be the explosion from apparently innocent irregularities—they turn into veritable time bombs.

That is what I had to say.

Mr. COLDWELL: Mr. Baldwin, you do not cover the point covered in Mr. Dilworth's report which I have just glanced at here. He says:—

I find that several names appeared on the payroll which did not represent bona fide individuals. Cheques were received made out in these names and were used at the station in some cases to supplement the salaries of employees and artists, in other cases to make up deficiencies in petty cash and, in still other cases, to cover expenditures which it was not thought wise to include as items in expense sheets.

He goes on:—

The names were: J. Burge, W. Megaw, C. Frew, H. Wills, S. Shaw, D. Cole, R. Vernon; and the name J. Burge apparently was used thirty-five times during the period under examination and cheques for varying amounts were made out in this name. And apparently the cheques issued to W. Megaw—that apparently was the maiden name of the wife of one of the persons involved and so did exist; but C. Frew appears eight times, and H. Wills appears six times; and in the case of C. Frew the endorsements on the cancelled cheques were proved to have been endorsed by C. Frew and then by H. Perkins, and Mr. Perkins admits having signed both names.

H. Wills. This name appears six times for amounts totalling \$35. The circumstances surrounding endorsement of the cheques is identical with that of C. Frew.

S. Shaw. 4 cheques with a total value of \$80. The same circumstances surround these as the above two.

G. Cole. I find this name used 12 times in the payroll, the total amount involved being \$80. Cole was regularly set down as an actor. I have examined only 4 of the 12 cheques. All are endorsed as G. Cole first. The second endorsement in one case was written by Yeomans and in the three other cases by H. Perkins.

R. Vernon. This pseudonym appears a number of times, indeed weekly, in the payroll for the amount of \$6 per week. The arrangement began in July and continued through December.

Mr. SLAGHT: Who was the manager at Vancouver?

Mr. COLDWELL: I do not know.

By Mr. Coldwell:

Q. Who was the manager at that time at Vancouver?—A. At the commencement I think it was Mr. Radford, and ultimately Mr. Dilworth.

Q. He mentions Mr. Radford because he says:—

I have found no instances in my investigation of money which I could say went to Mr. Radford. His name is never used on any cheques or payroll that has come under my notice.

Mr. SLAGHT: Who did sign the cheques?

The CHAIRMAN: Do you understand the system, Mr. Slaght, and how it was done? These people were regular employees. Other names or fictitious names were put on the payroll of the artists' branch and a small cheque was issued to them and it went out and was endorsed by some of these fellows who were actually working and they got an additional amount of money.

Mr. SLAGHT: Under an assumed name?

The CHAIRMAN: Under an assumed name.

Mr. SLAGHT: And it was forgery?

The CHAIRMAN: Some of them were absolute forgeries. It was done by these men in order to augment the salaries which they were getting.

By Mr. Slaght:

Q. What happened in connection with these investigations and reports? Did it clear that situation up? Did it stop?—A. Are you speaking to me?

Q. Yes.—A. Oh, it certainly stopped; yes.

Mr. COLDWELL: What action did the corporation take with regard to the people who had been guilty of this? Is not that what Mr. Plaunt refers to when he says that persons who had been guilty of gross irregularity and misconduct were still in the employ of the corporation, which interfered with morale?

By the Chairman:

Q. One of the offenders was Yeomans and he was transferred to Watrous, Saskatchewan. Is not that correct?—A. Yes.

Q. That is just from reading it.—A. I was not within the councils of this investigation.

Q. I only glanced at it, but it is right on the surface.—A. The name mentioned is the only one known to me at all.

The CHAIRMAN: However, that whole thing is a situation which is passed. It has been investigated. The general manager must be given credit for having pressed for the investigation, and in my judgment there is nothing to

be gained by losing a lot of time going back over it. Suffice it to say that condition does not obtain now. I think it has borne some fruit in bringing it to the light of the investigation before the committee, in that it puts the corporation on its guard in seeing to it that such a condition is not repeated, and that the committee are alive to such conditions as this when they do obtain. I do not think we need to lose a lot of further time over it.

Mr. COLDWELL: No. But now we understand Mr. Plaunt's reference.

The WITNESS: May I make one statement supplementary to that, and that is that since this happened, there has been established at Vancouver a treasurer's cashier who has immediate control of payments on my account. That had not been started up to this time, but that effectively prevents any such thing occurring again. Now at all program points my representative, as I have described, is supplied with money and pays the payroll there quite independently from the local manager or the local people.

By Mr. Coldwell:

Q. You feel now that you are protected?—A. I think so, as well as is humanly possible to do it.

By the Chairman:

Q. The old system was terrible, where money was deposited there and you had no check on it until these vouchers came back to you probably at the end of the year.—A. Excuse me. It was all done here. It was worse than that. There were long delays. First of all, it was all done by the treasury board here. They had to get Ottawa, get the treasury board check, and that was really the greatest trial of the commission. They could never get anything done and they were squeezed and squeezed to do things. But now with reasonable elasticity, there is no trouble on that score whatsoever.

The CHAIRMAN: That has all been explained by Mr. Baldwin in his evidence. Is there anything further? If not, Mr. Murray has asked the privilege, which I think we should grant to him, of making a brief statement of about five minutes, clearing up a few points in evidence since he was last on the stand. We will accord Mr. Murray that privilege now.

Major W. E. GLADSTONE MURRAY, General Manager of the Canadian Broadcasting Corporation, recalled:

The WITNESS: Mr. Chairman, Mrs. Casselman and gentlemen, this will not take long. It brings the record up to date.

With regard to Mr. Pickering's evidence, I have already made a brief statement to the committee. There is another matter, however, to which I would now draw attention. The committee will recall that I declined to produce the correspondence with Mr. Pickering on the ground that it was marked "personal and confidential" and my recollection was that it was so marked at the suggestion of Mr. Pickering. He, however, corrected this in his evidence and I accepted his correction. Now the suggestion has got abroad that there is something sinister in this correspondence; something which I am desperately trying to hide. In these circumstances I think it is only fair that the correspondence should be included as an appendix to the printed record and I very strongly recommend this to the committee as much on my own behalf as on that of Mr. Pickering.

The CHAIRMAN: That is the correspondence with reference to the resignation. Let us deal with that now. What is the will of the committee in that regard?

Mr. COLDWELL: I have not heard any sinister suggestion made.

The WITNESS: I have.

Mr. SLAGHT: I have not. Do you think it is important to have it on the record?

Mr. CLAXTON: Both Mr. Pickering and Mr. Gladstone Murray have said that they are quite willing it should appear on the record.

Mr. COLDWELL: There is no objection to it, as far I can see; but I must say I cannot see the need for it.

Mr. CLAXTON: There is no reason for printing it in the record is there?

The CHAIRMAN: If it is irrevelant, we do not want it on the record.

Mr. SLAGHT: It might be money wasted.

The CHAIRMAN: There is a lot of correspondence here.

Mr. COLDWELL: It is on the table. It is at the disposal of the committee.

The CHAIRMAN: It is tabled here.

Mr. SLAGHT: If nobody is basing any charges or reflections on it, I do not see the need of printing it.

Mrs. CASSELMAN: I went through it very carefully and could see nothing in it but what was brought out in the evidence.

The WITNESS: Perhaps that covers my point.

The CHAIRMAN: All right.

Mrs. CASSELMAN: There are some points that I would mention later if we ever do come to them.

Mr. HANSELL: We have the point that Mr. Murray makes.

The CHAIRMAN: We have the reference and we can refer to it.

Mr. HANSELL: We have it that Mr. Murray is willing to have it on the record.

The WITNESS: The second point, Mr. Chairman, completes the statement of fact about Mr. Sydney Moseley. Next Monday he joins the Mutual Network as one of their main commentators; from 11 to 11.15 p.m., Monday, July 20. The third point just received from Mr. Lambert is that the province of Prince Edward Island has now joined our national scheme of school broadcasting.

Then, in Mr. Bannerman's statement, there was a misapprehension about a point I had tried to make. Here is the sequence as I recall it. Among the shortcomings and deficiencies of the C.B.C., which I had stressed to the committee, was what I felt to be a relative failure through absence of the necessary staff and resources to do as much as we would like to do in discovering and grooming latent Canadian talent. Mr. Isnor took this up, urging more effort. Along this line of thought I suggested that perhaps private stations might address themselves more definitely to the problem. I did not mean to convey that the numerous private stations with community consciousness were not doing an excellent job in finding and grooming local talent for local audiences. Mr. Bannerman, thinking that I was critical of the local effort, quite rightly assembled formidable data covering the excellent work of community stations for their communities. What I really had in mind was the possibility of extending this work for the benefit of regional and national networks, and it is in that direction that I suggested there was room for development.

As Mr. Bannerman remarked, we may be partly at fault for not giving enough microphone recognition of such efforts. So let me say now that I extend afresh an open and cordial invitation to *all* private stations to build for the networks sustaining programs reflecting the best characteristic artistic endeavour of the communities concerned. These programs, of course, will have

to be worked appropriately into the general structure, but there certainly will be no reluctance on our part to give generous acknowledgment both of the station and of the community.

As Mr. Buchanan's evidence was, for the most part, an elaboration of his letter of resignation, already on the record, what I have said in evidence deals with most of the points from my angle. There are, however, two points outstanding, one of fact and the other of opinion. The fact is that at no time have I employed anyone to prepare secret reports on the staff. Spying on my own organization is wholly foreign to my methods and utterly obnoxious to my instincts. Those who really know about the C.B.C. know that the spirit of the staff and the human relations are excellent.

The point of opinion is in the inference that it is a bad thing to build programs in co-operation with specialist outside organizations; that it is better for the C.B.C. to do the whole of its job on its own. I disagree fundamentally. Where there are reputable and established specialist organizations such as the Canadian Association for Adult Education, The Citizenship Councils, the Workers Educational Association, The Engineering Institute, the Canadian Medical Association, The Canadian Institute of International Affairs, The Canadian Manufacturers Association, The Canadian Chemical Association, the graduates societies of the universities, and so on, I feel it is the duty of the C.B.C. to seek advice and guidance from such authoritative bodies when relevant talks and discussions are being planned and carried through. Nor do I see anything wrong in sharing both the credit and the responsibility. As long as we do not fall under the control of vested or sectional interests, why not use the best brains and the best auspices? We must always hold a fair field. Nor can I see any ground for apprehension in using the advice and assistance of a committee of the Senate as was done in the series "The Need of the Hour". If, as I hope, this parliamentary committee resumes its deliberations in a few months' time, the first part of the progress report should properly explain to what extent the C.B.C. has been able, in the interval, to apply your recommendations about programs.

I appreciate the indulgence of the committee in the patient hearing you have given me. Also, as I said in my evidence-in-chief, it would have been at my insistence, if for no other reason, that all matters should be fully investigated, and not least those concerning which my own integrity had been challenged by innuendo from various sources, based on various motives.

In expenditure, the procedure which I followed in the Canadian Broadcasting Corporation was precisely the same as I had followed in my long association with the British Broadcasting Company and with the British Broadcasting Corporation, for the same purposes and with the same results, in terms of the protection and the progress of the business. A statement of the nature of special expenditures, accompanied by a personal certificate of expenditure, constituted a voucher, it being predicated that all expenditures of whatever kind were within the confines of budgets approved in advance by the finance committee and the Board of Governors.

Permit me to read again paragraph 4 of page 170 of the record of my evidence-in-chief:—

Changes of method in handling the accounts have been made from time to time, in accordance with the advice of accountants and the instructions of the finance committee of the Board of Governors, and nothing illegal has been done.

The treasurer did advise me that payments, supported only by my general explanations and personal certificates of expenditure, although not in themselves improper, might be subject to just the kind of criticism and inference heard in this committee. Let me make it absolutely clear that whatever blame or dis-

credit flows from this practice is entirely mine. I paid insufficient attention to the aspect of the matter concerning which I had been warned by the treasurer, and I have suffered grievously in consequence. It may be some excuse—although I do not plead it—to note that, in the formative period, the burden of work was tremendous and incessant. The rate of growth was unprecedented. In trying to keep first things first, I neglected some things which I should not have neglected, if I had thought more about my own interests.

With the consolidation of the C.B.C. there was decreasing need of direct expenditure by me. The present procedure has been described by the treasurer. Let me tell you precisely how it works in practice. Since April 1, 1941, expenses incurred by me on duty away from base, except for taxicabs and other street transportation, are paid direct by the C.B.C. to the transportation companies, the hotels and restaurants, with which the obligations were incurred. There is no per diem allowance. Any expenses incurred by me on duty in Ottawa are defrayed from my allowance at base, except for the taxicab fares for journeys on duty to and from the airport. That is the only exception. Reports and surveys as required are paid by the C.B.C. direct to those doing the work.

I would ask the committee—not now, but perhaps before they come to the report stage—to read again the observations printed in the evidence on pages 169 and 170.

About the expenditures handled and vouched for by me personally, I have not the slightest doubt as to their necessity, in the circumstances, and as to their value. It is now within a few days of six years since I was invited to help consolidate and develop broadcasting in Canada. The decision was a serious one to take. It involved a substantial financial sacrifice; it meant the abandonment both of existing security and of the certainty of ample pension rights. But as I have said in evidence already, I felt that I had not yet completed my part of a bargain both explicit and implicit, as a former beneficiary under the Rhodes Trust. And then, of course, there was the natural attraction of returning home and of engaging in what was bound to be something of a pioneering adventure. Moreover, as a result of my visit to Canada in 1934, at the invitation of the Right Hon. R. B. Bennett, then prime minister, to study the broadcasting situation, I had come to the conclusion that there was opportunity in Canada to build the best broadcasting service in the world. So, from the moment in July, 1936, when I accepted the invitation from Mr. Brockington and the Honourable C. D. Howe, the C.B.C. became for me an all-out affair, a cause, a creed, an all-absorbing objective; and so it has remained. I have thrown everything into the task without reservation.

With the direction and guidance of the group of representative and public-spirited Canadians constituting the Board of Governors, and with the support of a staff—and this is a considered opinion—unexampled for ability, devotion and loyalty, and with the constructive help of the vast majority of private broadcasters, I feel that the record of progress recounted at the three intervening parliamentary inquiries is not unworthy. That there is a gap between promise and performance goes without saying. I for one have yet to discover in history or in contemporary records an account of any human enterprise, characterized largely by intangible values, that has eliminated the gap between promise and performance. I draw attention to the fact that no effort has been made to take advantage of the evidence of a host of authoritative witnesses ready and anxious to testify to the advantage of the C.B.C. and of myself. On the other hand, the way has been left entirely open to those who, for obvious reasons, are hostile to me personally if not to the C.B.C. itself. I have resisted advice to attempt to redress the balance in witnesses; and this for what I consider a very good reason, namely, that the results of our work are open for everyone to examine from day to day, indeed from hour to hour. Our case, and my

own case, rests not least on the judgment of members of the committee as discerning radio listeners. But, if only in fairness to that splendid body of public servants, the staff of the C.B.C., I am bound to say, categorically and without fear of challenge from any competent, honest and unprejudiced quarter, that the radio listeners of Canada are, on the whole, better served to-day, both in war and in peace, than the radio listeners of any other country on either side of the Atlantic or for that matter on either side of the Pacific.

By Mr. Coldwell:

Q. You were going to try and give us Dr. Siepman's and Mr. Estorick's reports?—A. Yes, and I have not got them yet. I have wired again for them. The moment they arrive you shall have them. I think the reason for the delay, certainly in the case of Mr. Siepman, is that he has been called away from Washington as one of the results of the re-organization there and he has been sent to the middle west. I tried to get Mr. Estorick on the telephone this morning without success. Any information that I get from those gentlemen will be brought to you at once.

Q. I was going to ask you one other question. In Mr. Brockington's letter from which I quoted this morning he said:—

. . . I have learnt, therefore, with surprise, from you and elsewhere, that some employees of the corporation who were originally associated with our predecessors have been making statements as to what they will do in case the investigation should touch some matters that appear to belong to the past regime. It is obvious that neither the board of governors of the Canadian Broadcasting Corporation nor its general manager can deviate from plain duty as a result of any such amazing threats.

What does that refer to?—A. Mr. Chairman, may I suggest we have the whole letter? I would like the whole letter to be read. Do you see how it begins?

Q. Yes.—A. How does your version begin?

Q. "My Dear Bill".—A. That was a very personal letter but I think if I might be allowed to explain the whole letter—shall I read the whole letter?

Q. Yes. You have it there, have you?—A. Have I got it?

Q. You can have this copy. Have you got the letter which preceded it?—A. My letter?

Q. Yes.—A. No, because as he says my letter was hand written, and I do not imitate—

Mr. SLAGHT: If it is just that one point, Mr. Chairman, the last question asked—and that apparently is the only point that inspired the witness to read the whole letter—couldn't we be told in a sentence what happened, if anybody uttered such threats? Did that prevail?—A. No.

Q. Or was there anything to it?—A. I am speaking from recollection, you see.

Q. I do not want to stop you reading the letter if it is necessary.

Mr. COLDWELL: If Mr. Murray would like the whole letter it is all right. The only reason that I did not read the whole letter was that it is in the same vein, and it is a little long.

Mr. SLAGHT: That is what I am thinking about.

The WITNESS: All right, I will read the first paragraph . . .

Mr. HANSON: Read the whole letter.

The WITNESS:

737 GRAIN EXCHANGE BLDG.,
Winnipeg, Manitoba,
June 7, 1939.

MY DEAR BILL,—Thank you for your letter of Sunday, June 4, written in your own handwriting. . . .
I might remark there I am not careful enough to keep copies of what I send in handwriting, especially personal notes.

Mr. COLDWELL: I think we may be all in that position.

The WITNESS:

. . . I am somewhat distressed by its contents, as I also was by telephone conversation with you on Saturday.

The recent investigations into irregularities at Vancouver were designed, first of all, to discover the extent of the diversion of moneys; secondly, to determine how many fictitious names had been placed on the payrolls during our period of office; thirdly, to determine responsibility for the foregoing irregularities, and fourthly, to consider the responsibility for the open, continuous and flagrant breach of administration orders. You agree, I know, that such an investigation is your and my responsibility as the primary duty of trustees, such as we are. It has been held by the administration and the governors jointly. The task has been unpleasant for all concerned.

I have learnt, therefore, with surprise, from you and elsewhere, that some employees of the corporation who were originally associated with our predecessors have been making statements as to what they will do in case the investigation should touch some matters that appear to belong to the past regime. It is obvious that neither the board of governors of the Canadian Broadcasting Corporation nor its general manager can deviate from plain duty as a result of any such amazing threats. Although I am not aware of any desire on the part of anyone to deal with past events and past courses of conduct, unless they are directly referable to our own administration, things have come to strange circumstances if investigation into irregularities however much they may be resented, are to be circumvented or restricted because any employee of the corporation, misconceiving his own status and unmindful of the paramount duty of other people to carry out their trusts, should endeavour to anticipate possible enquiry by an exhibition of inconsequential impertinence. What has most worried Dilworth, Manson and myself is the initial failure on the part of a number of employees to recognize the reprehensible nature of the practices on which the irregularities were founded. Innocence need have no fear, and even repentant misconduct can always rely on the full consideration of all human factors.

In the evidence already given to us, it has been definitely stated by Yeomans that he paid himself an increase in salary by the use of fictitious names, at the direct suggestion of Stovin . . .

By Mr. Coldwell:

Q. Who was Stovin?—A. He was the supervisor of the western region at that time.

Q. Is he still with the corporation?—A. No.

. . . While this direction may have been given prior to our assumption of office, it is vigorously asserted by Yeomans that it marked the beginning of the practice in Vancouver. I would ask you, please, to request Mr. Stovin to state definitely, under written oath, whether such a direction was,

in fact, given by him or whether he approved of this practice at the time. Any further statement that he may care to make will, of course, receive due and fair attention. . . .

Q. In fairness to Mr. Stovin did he give a denial under written oath?—

A. The day following the receipt of this letter Mr. Donald Manson had a telephone conversation on my instructions with Mr. Brockington. There is a memorandum of that on the file. I had better read the exact note. It was pointed out that to apply this business of the oath to one would be invidious.

Q. We do not want someone's name mentioned here in a connection of this sort when he is not here without trying to get the facts.—A.

"I spoke to the chairman about this over the telephone and suggested that it might look like discrimination if we were to ask Stovin for a statement under oath. I said I thought he should be treated like all the others. The chairman said that perhaps that was right. He felt that he was hasty in his decision when he wrote this letter. He agreed that no further action was to be taken until we heard from him."

So there was no question of oath. The whole of the procedure of this complicated business is set out chronologically in the papers which have been tabled. I cannot speak from memory about the various stages. It is all set out there. I have not had time to refresh my memory but Mr. Stovin was cleared certainly so far as I was concerned.

Q. Then I think that should go on the record.—A. My conclusions are set out on the record, and Mr. Radford also.

Q. He was cleared, too?—A. Yes.

. . . Obviously the credibility of Yeomans depends, to some extent, upon the confirmation, or otherwise, of his accusation.

With reference to the survey of staff which you have begun, we cannot be concerned, of course, with rumours which are current concerning discussions in the board of governors, although I need hardly remind everybody that discussions in the board are confidential. I suppose that rumours and rumblings are inevitable in a business such as ours. One thing, however, is perfectly clear, and that is, that this board of governors has not taken political action and will not permit of any survey of staff and any consequent reductions that may be necessary therefrom to be founded upon any political considerations whatsoever. I am therefore appalled at the suggestion in your letter that anyone should think any such consideration was either entertained by yourself or should be thought in any way to reflect the policy of the board of governors. Your statements and actions will, of course, be in direct contradiction and contravention of any such idea. Nobody has ever suggested any purge or any injustice. All that you suggested (and I consider that after three years of administration it is a perfectly reasonable suggestion), was that the staff be surveyed from the point of view of efficiency only.

It is regrettable if there has been a distressing decline of morale, as you say. It may be that surveys will suggest some removals or demotions or even additions and promotions. The primary responsibility, of course, is yours. You will be supported by me in any action that is founded on efficiency, and on efficiency only. I know that you will not allow political consideration or personal favouritism to sway you in the slightest degree. On the other hand, nobody thinks for a moment that the technique of a factory is applicable to broadcasting and any reorganization will obviously make allowance for human weaknesses and the ever-present possibility of human improvement. One thing is certain. There must be no politics.

Yours ever,

LEONARD W. BROCKINGTON.

I cannot tell you exactly what I put in my letter written by hand but I am almost certain that this point was represented, the necessity of clearing the matter up. As you will observe from the files the investigation was initiated by me in February. This was June. It had been carried a certain way by the administration alone and then the board came in and I was beginning to feel anxious. The board was fully associated with this. You have seen what happened at the meeting of July; that has been put in in evidence. As a matter of fact, my letter and this letter in reply to it led to a full discussion at the board at its July meeting; and I did say, although I did not at all associate myself with the view—and it is only the one misapprehension here—that there was no threat by any member of the staff. That was a misapprehension which I cleared up with Mr. Brockington on the telephone. I was told, however, that there were those who might consider that this opportunity would be taken by a Liberal politically appointed board to clear out all of the members of the staff that has been appointed by a Conservative appointed radio commission. Of course, that was ridiculous on the face of it.

The CHAIRMAN: Entirely unwarranted.

The WITNESS: Entirely unwarranted, but that is the sort of thing which arose out of the delay in cleaning this up. My great concern was to get the consideration completed and have action taken.

By Mr. Hansell:

Q. Mr. Murray, before you leave is there anything further to report in respect to any conferences with the Canadian Press?—A. No, Mr. Chairman. The next meeting is between the finance committee of the board and the Canadian Press a week from Saturday. When I reported on this on the last occasion I had thought that this committee would be sitting at that time so that I would be able to bring forward a report. I cannot therefore say anything until a week from Saturday, the 25th of July.

By Mr. Claxton:

Q. Mr. Chairman, frequent references have been made to meetings of the finance committee. I wonder if as part of his evidence to-day the general manager can put in the dates at which the finance committee has held meetings since 19— —A. We will give you the dates from the beginning.

Q. Since 1936.—A. Yes, we will have those put in. I have not got them in front of me.

Q. You can put that into the evidence.

By Mr. Hansell:

Q. Who is in Mr. Pickering's place now?—A. There was no replacement.

Q. Do you feel you have plenty of help in advisers that way?—A. No, the war was on and the policy was to contract, on the doubling up principle to undertake more work, and any idea of developing an executive secretariat was abandoned under war conditions.

Q. I would suggest, of course, that sometimes we can cut down a little too much even if there is a war on. My observation is that Mr. Murray's job is a big job and it is a growing job. This radio business has grown rapidly and it has not stopped growing yet, and I would suggest that the general manager should be surrounded with every bit of competent help he thinks he requires.—A. There is one observation I would like to make on that, and that is this, if one can persuade the very vigilant finance committee to swell just a little bit the already considerable salary bill we would try and put it as close to the microphone as possible;

in other words, what I want to do is spend the salaries on producers, announcers and people close to the microphone, particularly in war time because that is our front line of work.

Q. Well, of course, I agree there but according to the income it isn't an institution that is exactly broke, and the responsibility these days is big.

Mr. COLDWELL: I suppose you have no word of any consideration given to the report of the committee tabled in the House on short-wave broadcasting?

The CHAIRMAN: No, absolutely none. Are there any further questions with reference to Mr. Murray? Now, what is the wish and will of the committee with reference to any further witnesses? As far as I know that concludes the witnesses. What I was going to suggest was that we have a meeting in camera probably to-morrow morning and have a general discussion of the evidence and then the committee can name a sub-committee to draft a report.

Mr. ISNOR: Why not name the subcommittee now and allow them to place before us—

The CHAIRMAN: I would like to have one meeting confined to a general discussion of matters that are of outstanding importance in order to give that subcommittee a little direction.

Mr. COLDWELL: I think so.

Mr. ISNOR: Perhaps you are right.

The CHAIRMAN: That is only a suggestion.

Mr. HANSELL: I notice, Mr. Chairman, that Mr. Michaud of the Defence of Canada Regulations committee wrote to each member of that committee suggesting to them that the committee would meet at a certain time and he would be pleased to have any recommendations to present at that time. I thought that was an excellent idea and would save some time. I do not suppose you have to write a letter because I think maybe we are nearly all here but it would be as well if each one would come with some definite thoughts in his mind to place before the committee.

The CHAIRMAN: That is exactly the idea, Mr. Hansell, and my thought was that could be brought out by a general discussion and that when the subcommittee is formed or appointed to draft a report that the members of the committee can then make suggestions in writing to that subcommittee covering any particular points which they might like to have incorporated in the report or to make suggestions in that regard. Let us not come back to-morrow with somebody making suggestions that we have somebody else called. Mrs. Casselman, I just forgot the matter that you brought up?

Mrs. CASSELMAN: I am not pressing that point at all, Mr. Chairman. I just thought perhaps it might be advisable but if it does not meet with general approval I am quite willing not to press it.

The CHAIRMAN: I have just forgotten for the moment what it is.

Mrs. CASSELMAN: Colonel Bovey, but as you say, the time is getting late and unless someone else feels that it is necessary I will not press it. It is only a suggestion.

The CHAIRMAN: If you do not press for it I think perhaps we should forgo that. If it is the wish of the committee we will adjourn until to-morrow morning at 11 o'clock and the committee will be held in camera and we can have a general discussion.

MEETINGS OF THE FINANCE COMMITTEE OF THE CANADIAN
BROADCASTING CORPORATION

[illegible]

The committee adjourned at 5.45 p.m. to meet again on Tuesday, July 14, 1942, at 11 a.m., in camera.

SESSION 1942
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

RADIO BROADCASTING

MINUTES OF PROCEEDINGS

No. 20

JULY 14, 16, 21, 22, 23 and 24, 1942

Including

1. Third and Final Report.
2. Exhibits filed.
3. Appendices to evidence.
4. Documents tabled and distributed to the members
of the Committee.
5. Index to witnesses.

MINUTES OF PROCEEDINGS

TUESDAY, July 14, 1942.

The Special Committee on Radio Broadcasting met in camera at 11 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Graydon, Hansell, Hanson (*Skeena*), Laflamme, McCann, Mullins, Rennie, Ross (*St. Paul's*), Slaght, Telford and Trip—14.

The Chairman read and filed with the Clerk the following:—

1. A letter from Mr. Glen Bannerman, of Toronto, dated July 13, enclosing as requested two lists respecting privately-owned stations.
2. A telegram from the Clerk of the Committee to Mr J. C. Thompson, now of Calgary, informing him that he was not to appear before the Committee.

On motion of Mr. Slaght,—

Resolved,—That the expenses of Mr. E. A. Pickering of Regina, Sask., a witness before the Committee on July 9, be paid.

A general discussion took place on the evidence given in the course of the Committee's proceedings and on the nature of the proposed report to the House.

The Chairman invited the members of the Committee to draft and forward any suggestions they would like to have discussed and incorporated in the Committee's report.

With a view to drafting this report, it was agreed that Messrs. Claxton, Coldwell, Graydon, Hansell, Slaght, Veniot act with the Chairman.

It was further agreed that this subcommittee would meet on Wednesday, July 15, at 2 o'clock.

Mr. Coldwell urged that the Chairman of the Board, Mr. René Morin, be invited to meet the Committee at its next "in camera" meeting called to consider the report. He said that while he had no cause to complain personally of any lack of courtesy on the part of the Board, its General Manager or any of the C.B.C. officials, from whom he had received every consideration, he, nevertheless, wished to ask some questions of Mr. Morin before the investigation was completed. Committee agreed to invite Mr. Morin.

The Chairman forthwith instructed the Clerk to communicate by telephone with Mr. Morin.

The Committee adjourned until Thursday, July 16, at 11 o'clock, in Room 429.

THURSDAY, July 16, 1942.

The Special Committee on Radio Broadcasting met in camera at 11 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonnette-Rosemont*), Graydon, Hansell, Hanson (*Skeena*), Isnor, McCann, Rennie, Ross (*St. Paul's*), Slaght, Telford, Tripp and Veniot—17.

The Chairman informed the Committee that the Clerk had telephoned to the Chairman of the Board of Governors, Mr. René Morin, and that he would arrive at 11.30 from Montreal.

On motion of Mr. Rennie, seconded by Mr. Slaght,—

Resolved,—That the Printing Bureau be informed that the type used to print the evidence of this Committee need not be kept standing.

On motion of Mr. Claxton, seconded by Mr. Slaght,—

Resolved,—That the Clerk be authorized to return, on the conclusion of the Committee's deliberations, the following: (a) C.B.C. file respecting the Dilworth's report; (b) the original scripts of Messrs. Letellier de Saint-Just and Louis Francœur; (c) Correspondence exchanged between Mr. Glen Bannerman and privately-owned stations.

The Committee proceeded with the consideration of a summary of draft report suggestions forwarded by members of the Committee.

Mr. René Morin having arrived, the Committee suspended its deliberations. Mr. Morin answered questions.

The Committee directed the Clerk to obtain forthwith the Estorick report, or a draft copy as referred to by the General Manager of the C.B.C. in his evidence.

On motion of Mrs. Casselman (*Edmonton East*),—

Resolved,—That Messrs. Isnor and Fournier (*Maisonneuve-Rosemont*), replace Messrs. Slaght and Veniot on the Drafting Committee.

The next meeting of the Drafting Committee will be held on Friday, July 17, at 11 o'clock, in Room 429.

The Committee adjourned at the call of the Chair.

TUESDAY, July 21, 1942.

The Special Committee on Radio Broadcasting held an "in camera" meeting at 11.30 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemont*), Graydon, Hansell, Hanson (*Skeena*), Isnor, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Telford, Tripp and Veniot—17.

The Chairman read the following communications:—

1. A letter from Mr. Murray to the Chairman, dated July 18, enclosing a telegram from Dr. Eric Estorick.
2. A letter from Mr. Murray to the Chairman, dated July 20, enclosing a resolution of the Canadian Association for Adult Education forwarded by Mr. E. A. Corbett, Director.
3. Two letters from the Canadian Legion to the Chairman dated July 18 and 20, respecting the C.B.C. and the military record of Major Murray.
4. A letter from Mr. Glen Bannerman of the Canadian Association of Broadcasters, Toronto, dated July 20, concerning private broadcasting stations.

The Chairman submitted the subcommittee's report, as follows:—

"Your Committee appointed an Agenda Committee on May 6, composed of Messrs. Claxton, Coldwell, Graydon, Hansell, Slaght, Veniot and the Chairman.

On Tuesday, July 14, it was agreed that this Subcommittee act with the Chairman to prepare the Committee's report for the consideration of the members of the Committee.

Your Subcommittee held four meetings.

On Thursday, July 16, by a resolution duly adopted, the names of Messrs. Isnor and Fournier (*Maisonneuve-Rosemont*) were substituted for those of Messrs. Slaght and Veniot.

Your Subcommittee recommends that the attached draft report be adopted as the Committee's Third and Final Report to the House."

The Chairman read the draft report.

On motion of Mr. Veniot,—

Resolved—That twenty-four copies of the draft report under consideration be mimeographed for the members of the Committee and the Clerk.

At 1.30 o'clock, the Committee adjourned until 9 p.m. this day.

NIGHT SESSION

TUESDAY, July 21, 1942.

The Special Committee on Radio Broadcasting met in camera at 9 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemont*), Graydon, Hansell, Hanson (*Skeena*), Isnor, Laflamme, McCann, Rennie, Telford, Tripp and Veniot—16.

The Chairman read a letter from Mr. Brodie of the C.B.C., addressed to the Clerk, dated July 21, in reply to a telephone request enclosing a script of news broadcast of July 20 with respect to the Radio Parliamentary Committee.

Mimeographed copies of the draft report were distributed to the members of the Committee present.

At 10 o'clock, the Committee adjourned until 11.30 a.m., Wednesday, July 22, in Room 429.

WEDNESDAY, July 22, 1942.

The Special Committee on Radio Broadcasting met in camera, at 11.30 o'clock. Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemont*), Hanson (*Skeena*), Isnor, Hansell, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Telford, Thorson, Tripp and Veniot.—17.

The Chairman read the following:

1. A letter to the Clerk from Dr. Louis-Phillipe Roy of *L'Action Catholique*, dated July 20, relative to the evidence of Mr. Harvey on July 7.

2. A letter to the Chairman from Mr. Jean-Charles Harvey, of *Le Jour*, dated July 20, relating to Dr. Roy's articles and comments over CBV, accompanied by a memorandum on the C.B.C.

The above-mentioned were filed with the Clerk for reference.

The Chairman informed the Committee that the C.B.C. scripts requested by the Committee in connection with news broadcasts referring to the Radio Parliamentary Committee were now in the hands of the Clerk.

The Committee resumed the consideration of the draft report.

At 1.10 o'clock, the Committee adjourned until 4 p.m. this day, in Room 429.

AFTERNOON SESSION

The Special Committee on Radio Broadcasting met in camera at 4 p.m., Dr. McCann, the Chairman presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemont*), Graydon, Hansell, Hanson (*Skeena*), Isnor, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Telford, Thorson and Tripp.—17.

The Committee continued the study of the draft report.

On motion of Mrs. Casselman (*Edmonton East*), the Committee adjourned at 6.15 until 9 p.m. this evening.

NIGHT SESSION

The Special Committee on Radio Broadcasting met in camera at 9 p.m., Dr. McCann, the Chairman, presiding.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemont*), Graydon, Hansell, Hanson (*Skeena*), Isnor, Laflamme, McCann, Rennie, Ross (*St. Paul*), Telford, Thorson and Tripp.—17.

The Committee resumed its study of the draft report.

At 11 o'clock the Committee adjourned until Thursday, July 23, at 11.30 a.m., in Room 429.

THURSDAY, July 23, 1942.

The Special Committee on Radio Broadcasting met in camera at 11.30 a.m., Dr. McCann, the Chairman, presided.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemont*), Graydon, Hansell, Hanson (*Skeena*), Isnor, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Telford, Tripp and Veniot.—16.

The Committee further considered the draft report.

The Committee adjourned until 3.30 o'clock this day, in Room 429.

AFTERNOON SESSION

The Special Committee on Radio Broadcasting met in camera at 3.30 p.m., Dr. McCann, the Chairman, presiding.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemount*), Graydon, Hansell, Hanson (*Skeena*), Howe, Isnor, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Telford and Tripp.—17.

The Committee resumed its consideration of the draft report.

At 6.15 o'clock, the Committee adjourned until 11.30 a.m. Friday, July 24, in Room 429.

FRIDAY, July 24, 1942.

The Special Committee on Radio Broadcasting met in camera at 11.30 a.m., Dr. McCann, the Chairman, presiding.

Members present: Mrs. Casselman (*Edmonton East*), Messrs. Bertrand (*Laurier*), Claxton, Coldwell, Douglas (*Queens*), Fournier (*Maisonneuve-Rosemount*), Graydon, Hansell, Hanson (*Skeena*), Isnor, Laflamme, McCann, Rennie, Ross (*St. Paul's*), Telford, Tripp and Veniot.—17.

The Committee concluded its study of the draft report.

On motion of Mr. Claxton—

Resolved,—That the draft report be adopted.

Ordered,—That the said report be presented to the House as the Committee's Third and Final Report.

Mr. Coldwell moved a vote of thanks to the Chairman for the able manner with which he directed the deliberations of the Committee. This expression was unanimously adopted.

Dr. McCann thanked all the members of the Committee for their assistance and their collaboration.

At 1.15, the Committee adjourned sine die.

ANTONIO PLOUFFE,
Clerk of the Committee.

HOUSE OF COMMONS, CANADA,

SATURDAY, JULY 25, 1942.

The Special Committee on Radio Broadcasting begs leave to present the following as a

THIRD AND FINAL REPORT

Your Committee was appointed by a resolution of the House adopted on March 13, 1942. It has held forty-two meetings during which it heard the Minister of Munitions and Supply, the Minister of National War Services, the Chairman of the Board of Governors and various officers of the Canadian Broadcasting Corporation as well as a number of other persons.

The subject of radio broadcasting was considered by a Royal Commission under the chairmanship of Sir John Aird which made a report on September 11, 1929. In 1932 broadcasting was examined by a special committee of the House and the Canadian Radio Broadcasting Commission was established by the act adopted that year. Radio Broadcasting was the subject of enquiry by parliamentary committees in 1934 and again in 1936. Following the report of the 1936 committee, the Canadian Broadcasting Corporation was created by the Canadian Broadcasting Act, 1936, and the operations of the Corporation were examined by committees of the House in 1938 and 1939.

Your Committee would like to preface its recommendations by stating its confidence in the framework provided by the Canadian Broadcasting Act, 1936. The deficiencies noted hereinafter were not due to the system but to certain failures in executive direction.

In the reports as well as in debates in Parliament, a number of principles governing national broadcasting in Canada were enunciated and emphasized. Your Committee now desires to reaffirm these principles as stated in the reports of the Committees for the years mentioned in brackets:—

- (a) The paramount importance of a single national authority to control all broadcasting in the public interest; (1932)
- (b) The public ownership of all high-powered stations under a national system of broadcasting, with low power stations individually operated or co-ordinated in relation to the dominant system; (1932)
- (c) The co-ordination of all broadcasting in Canada through exclusive control being vested in the nationally owned system of:
 - (i) the character of all programs, political or otherwise, broadcast by all stations and of the advertising content thereof; and
 - (ii) all wire-line networks used for carrying broadcast programs; (1936)
- (d) The independence and flexibility of administration of the national broadcasting authority to be assured by its constitution as a public corporation. Under this constitution decisions as to policy are to be made by its Board of Governors while administration is to be unified under a general manager, and an assistant general manager, responsible to the board for the conduct of all business of the Corporation. (1934, 1936, 1938)
- (e) Members of the Board of Governors to be men of broad outlook, having a knowledge of the tastes and the interests of the listening public and able to make a definite contribution to the solution of the problems before the Corporation; (1936)
- (f) the independence of the Corporation from partisan control to be assured by its constitution. As a trustee for the people of Canada and the payers of licences, the Board of Governors should render an account of its stewardship regularly to parliament and be subject to ultimate parliamentary control; (1938)
- (g) The importance of establishing at as early a date as possible a high power short wave broadcasting station financed as a national undertaking but operated and controlled by the Corporation as an integral part of its system; (1938, 1939)
- (h) Political network broadcasting during federal and provincial election campaigns to be on a sustaining basis and time divided equitably among the political parties. (1939)

To these principles the Committee adds that public broadcasting is a great instrument of education and national unity as well as of entertainment. In war, broadcasting can play a major part in mobilizing the resources of the nation and the will of our people to defend our country and defeat the enemy.

The Committee's attention was directed to the operations of the Corporation since the last parliamentary committee sat in 1939. As the Committee was only set up and began its meetings on May 6, 1942, it was not possible to consider all the operations of the Corporation with the same thoroughness as would have been possible had only one year's operations been subject to review. The material, however, put before the Committee led it to reach very definite conclusions, the importance of which necessitates some description of the reasons behind its recommendations.

Shortly after the last parliamentary committee namely, on July 6, 1939, the Board of Governors appointed one of its members, the late Alan B. Plaunt, to make a report on the affairs of the Corporation. Mr. Plaunt was to be assisted by J. C. Thompson of the firm of Clarkson, Gordon, Dilworth and Nash. The Thompson report is dated September 30, 1939. These reports were put before the Board of Governors at their meeting on October 16, 1939. They were implemented in part by action of the Board of Governors but eleven months went by without their being formally discussed and Mr. Plaunt resigned on August 30, 1940. The reports and the correspondence with Mr. Plaunt are printed in the proceedings of the Committee.

The reasons Mr. Plaunt gave for his resignation were that he no longer had confidence in the administration of the Corporation and he felt that the failure of the Board to take effective action to remedy the conditions he found left him no other course. Mr. Plaunt's resignation led to a demand for the appointment of a parliamentary committee and his report referred to conditions in the Corporation which were in part the subject of this enquiry.

Up to November, 1939, the General Manager, Mr. W. E. Gladstone Murray, as chief executive of the Corporation had been responsible for its administration subject to the direction of the Board of Governors. On November 26, 1939, the Board passed a resolution transferring primary responsibility with regard to financial, engineering and commercial matters, and all operations in the province of Quebec, to the Assistant General Manager, Dr. Augustin Frigon, who was, however, still subordinate with respect to these matters to the General Manager.

This division of responsibility was apparently considered to be not enough, and on March 24, 1941, the Board of Governors made a series of amendments to the by-laws which were approved by Order in Council on April 29, 1941. These further limited the General Manager's powers in three very important ways.

In the first place they provided for the appointment of an Executive Committee which was given power to:—

- (a) manage the affairs of the Corporation, to control its finances, and to supervise its operations in accordance with the general policies laid down by the Board of Governors;
- (b) define the functions, duties, and responsibilities of the officers and employees of the Corporation and to direct them in the performance of their duties.

The decisions of the Executive Committee were to be reported to the Board of Governors at the next meeting of the Board.

By the wording of this by-law, the Board appeared to give to the Executive Committee the powers of management previously exercised by the General Manager.

The second limitation imposed on the General Manager was in an amendment providing that "the assistant general manager, subject to the direction of the Board of Governors or the Executive Committee, shall have charge of the technical or commercial operations of the Corporation; he shall be responsible for the internal management of the affairs of the Corporation...."

The third change provided for the appointment of a Controller of Finance who would report directly to the Board or the Executive Committee on all matters relating to the business of the Corporation. The appointment of a Controller of Finance was in accordance with a recommendation of the Thompson report which indicated that the occupant of the office of Treasurer should be the Controller. But the Board of Governors appointed the Assistant General Manager as Controller of Finance and thereafter the Treasurer reported to the Assistant General Manager and not to the General Manager.

These changes were rendered necessary on account of lack of confidence of the Board of Governors in Mr. Murray's ability in financial matters.

Evidence given before the Committee on the personal expenses of the General Manager and on the matter of accounting for these expenses give some indication of what the Board of Governors may have had in mind. They removed responsibility for technical and commercial operations, internal management and all the finances of the Corporation from the man on whom it had been placed because he was found to be unfitted to discharge such responsibilities.

The reasons which led the Board to relieve the General Manager of many of his functions should have led to totally different action.

Your Committee recommends that the amendments to the by-laws above referred to be reviewed so as to put the responsibility where it properly belongs.

As stated above, the Board had not only provided for an Executive Committee with powers of management and given a large part of the General Manager's functions and responsibilities to the Assistant General Manager, it had also appointed the latter Controller of Finance. The Committee feels that in refusing to follow the recommendation of the Thompson report that the Treasurer should be appointed Controller, the Board recognized that the Assistant General Manager would be in a better position to cope with the situation.

Your Committee believes that the Treasurer did not impose adequate checks on the General Manager's expense accounts and consequently recommends that his duties should be clearly defined.

The expedients adopted are a clear indication of the extraordinary nature of the situation with which the Governors were faced. It is with profound regret that your Committee has reached the conclusion that the expedients adopted were insufficient and that the situation should have been dealt with in a more fundamental way and should be dealt with now.

Indicative of this situation is the subject of the expenses of the General Manager which the Committee feels were out of all reason and much confusion was caused by the slack and unbusinesslike manner in accounting for these expenditures. Detailed vouchers were not submitted, extraordinary and unclassified expenses were included which it was felt were unnecessary. Details of these expenses and expenditures are to be found in the Minutes of proceedings and evidence.

Mr. Murray is unable or unwilling to state to whom many of these payments were made. His explanation of their purpose is obscure. There is no conclusive evidence that they ever received the scrutiny of the Finance Committee, or the Board of Governors. Mr. Murray's denial of the existence of some of these expenditures, the way in which the evidence of them was elucidated in consequence of Mr. Pickering's evidence, the heading under which they were included, their being lumped together, the absence of particulars or receipts justified the conclusion that at least there was gross carelessness in the way in which these expenditures had been handled and accounted for.

Referring to Mr. Murray's expenses for travelling and entertainment generally, both Mr. Murray and Mr. Baldwin gave evidence that these expenses were justified, that they were not out of line with the expenses of persons in similar positions. If this is so, it is high time that expenditures of this character and

on this scale were stopped everywhere. They were never justifiable in any corporation in peace time. They are a thousand times less so in time of war when we speak of equality of sacrifice.

Mr. Murray has rendered great service to Canadian broadcasting, but in view of the Board's loss of confidence in his ability in financial matters and his attitude to his own expenses and in view of other material placed before the Committee, your Committee recommends that the Board of Governors consider if the services of Mr. Murray could be used by the Corporation in another capacity than that of General Manager or Executive Head of the Corporation.

The Committee recognizes that the Board of Governors is charged with the responsibility of conducting the affairs of a utility of great national importance. The Board failed to deal adequately with the Thompson and Plaunt reports; the resignation of one Governor from the Board, the resignations of the Assistant to the General Manager, and the Supervisor of Public Affairs Broadcasts from the staff in the autumn of 1940 did not arouse the Board to the need of taking effective action to deal with the internal condition of the Corporation, which was most unfortunate. In spite of the resolution of confidence in the General Manager adopted by the Board of Governors at its meeting on November 26, 1940, it is clear from the evidence as well as from the subsequent decisions of the Board in regard to the by-laws amended March, 1941, that he had in fact already lost their confidence as a business administrator. The Board of Governors, therefore, cannot escape responsibility for allowing the condition of affairs disclosed by the investigation to continue. The Committee is, however, happy to note that since April, 1941, efforts have been made to prevent the continuance or recurrence of some of the defects in the Corporation's administration.

The Committee is of the opinion that the office of General Manager should be filled by one fitted to discharge all the duties of the chief executive officer of the Corporation. He should be, preferably, a Canadian of character and integrity to receive the confidence of the public and the loyal support of his staff. He should have organizing ability and administrative and executive experience although not necessarily in the field of business. As was said in evidence, "the chief executive does not need to be a specialist in finance, or a specialist in publicity; he needs to be a person who can if necessary, recruit specialists in all fields, weigh and consider their advice and their recommendations, direct their activities, and in the last analysis accept responsibility for their actions." His education and experience should fit him to deal with public questions in a broad and imaginative way. He should have an enthusiasm for his country and its services and recognize the contribution that broadcasting may make to our national life.

In filling vacancies on the Board, the Government should choose men and women of outstanding ability, capable of commanding the confidence of the Canadian people, willing to devote a large part of their time to this national service and able to make a definite contribution to the work of the Corporation as an instrument of national purpose in peace and in war. They should, if possible, include people able to represent the points of view of farmers and labour. The Committee recommends that the Government progressively strengthen the Board by appointing persons selected because of outstanding ability and genuine interest and not because of any political affiliation.

It must be said that the Board's work was affected by the way vacancies were filled, or rather not filled properly. General Odum last attended a meeting of the Board on June 1, 1940, but was only replaced on March 17, 1942, twenty-two months later. The late Alan B. Plaunt resigned on September 30, 1940, and his successor was only appointed on May 1, 1942, nineteen months later. Moreover, Mrs. Nellie McClung has been unfortunately prevented by illness from attending a meeting of the Board since November 26, 1940, and

SPECIAL COMMITTEE

Consequently has not attended a meeting in twenty months. During the year and a half ending in March, 1942, the Board was without the effective services of three members out of nine. The Committee recommends to the government that vacancies on the Board be filled promptly.

In 1939 the Board of Governors held three regular meetings and no special meetings. In 1940 it held five regular meetings and two special meetings. In 1941 it held four regular meetings. On the average less than four meetings per year have been held. While the number of meetings is not a final measure of work or interest, your Committee feels that the problems and work of the Corporation in these days does require more attention than can be given in three or four meetings a year. The Committee recommends that meetings of the Board be held more frequently and any member who is unable to attend meetings for a considerable period should be replaced.

Your Committee further recommends that the by-laws should be amended to provide for the creation of an Executive Committee to function between meetings of the Board and to prepare material for its consideration. The powers of the Executive Committee should, however, be limited to dealing with matters of real urgency arising between meetings of the Board and its action should be subject to confirmation at the next meeting of the Board. The Executive Committee should not deal with major questions of policy. The responsibility for this and for the general conduct of the affairs of the Corporation, as well as for the regulation of all broadcasting in Canada, rests on the Board.

Your Committee recommends that program planning should take into account the need to counteract any influence enemy broadcasts may have. This should be worked out by the Department of Information in conjunction with the Corporation. The closest possible relations should obtain between the Department of Information and the Corporation on the one hand and the corresponding information and broadcasting services in the other countries of the United Nations, particularly Great Britain and the United States. Canada and the United States have gone a long way in pooling their economic, industrial and military resources. Your Committee recommends that efforts be continued in the pooling and utilizing of the resources of the United Nations in the equally important field of ideas.

Your Committee received evidence on the machinery set up to deal with the co-ordination of the broadcasts of various government departments. Included among these are the Wartime Prices and Trade Board in connection with the price ceiling, the National War Finance Committee in connection with the sale of bonds and War Savings Certificates, the Department of National War Services in connection with salvage and national service, the Department of Labour in connection with Unemployment Insurance, selective service and labour relations, the Department of Munitions and Supply in connection with production, the Defence services in connection with recruiting, the Department of Agriculture in connection with food, the Department of Pensions and National Health in connection with civilian protection, pensions, national health, nutrition. An interdepartmental committee had been set up under the chairmanship of the Honourable Mr. Justice T. C. Davis, Associate Deputy Minister of National War Services, to avoid conflict in the times of campaigns, etc. The Committee felt that the situation was far from satisfactory, particularly in view of the fact that Canada had been at war for nearly three years. All the broadcasting activities of the various government departments should be co-ordinated and correlated through the Department of National War Services which is expressively given by statute the responsibility for such co-ordination. The Department and some such agency as the interdepartmental Committee mentioned should have power to initiate and formulate plans in co-operation with a representative of the program department of the C.B.C. as well as to regulate time.

The General Manager and Mr. E. L. Bushnell under him have general supervision of all programs but it was clearly shown in evidence that the French and English networks were being operated under entirely distinct program supervision and policy. While variations in programs for the different regions and in the French and English languages are necessary and desirable, it should always be remembered that the purpose of the Corporation is to represent and serve the interest of all of Canada. A closer integration of program planning between the French and English networks therefore is recommended and this should be related to a well defined policy laid down by the Board of Governors.

Following recommendations in the report of the 1939 committee, the Corporation issued a White Paper in July, 1939, on controversial and political broadcasting. This gave effect to two important principles laid down by the 1939 committee. The first emphasized "the importance of placing before listeners the widest variety of points of view." Evidence was given that this principle was departed from for a considerable period after the outbreak of war. Your Committee emphasizes the importance of placing before listeners a wide variety of points of view subject to censorship. The success of the Farm Forum broadcasts suggests that similar techniques might be applied to other subjects.

The second related to arrangements with the political parties pertaining to national elections. An announcement was made, apparently on the sole authority of the General Manager, that these arrangements would not apply to the general election of 1940. Public opinion forced a reversal of this policy. The incident emphasized the paramount desirability of implementing the report of the 1939 committee along the lines of the White Paper of July, 1939.

Your Committee further suggests that the principles laid down in the White Paper should be extended to provincial elections.

The Corporation should secure the assistance of honorary advisory committees for various regions also in various fields of activity. This has not been properly tried before; it should stimulate interest and bring the Corporation more in touch with the rich potentialities of our country and its people.

Previous parliamentary committees have urged that greater attention be paid to the discovery and development of Canadian talent. Some of the means suggested are the encouragement of recommendations by the heads of musical organizations, competitions with prizes, attendance of corporation officials at musical festivals, the employment of "talent scouts," etc. The Committee recommends that in addition to taking these and other specific steps, the Corporation should further encourage suggestions and criticism from listeners.

The Corporation's aim must be not only to select the best programs available from other countries but also to broadcast the highest quality of programs the Canadian people can produce. It should maintain a proper balance of entertainment, information and education.

Canadians enjoy broadcasts of symphony orchestras, good music, dramatizations, sports broadcasts, folk songs, news and are interested in local and regional happenings. Programs should be changed frequently and revised. New commentators should be brought in and new features produced. In addition to a program staff with capacity and imagination, the personnel should be large enough to allow the creative organizers full time to do the necessary planning and research and to work up new and interesting programs.

Under the General Manager and Assistant General Manager, there are a number of heads of divisions who report to them. It is believed that their work could be co-ordinated and better directed to the general purpose of the Corporation if they held monthly meetings with the General Manager to discuss common problems. Minutes of these meetings should be available for

consideration by the Board of Governors and Executive Committee and thus supplement the existing channel of communication between the governing bodies and the administration.

The Plaunt and Thompson reports dealt with the recruitment, classification, allocation and retirement of the staff of the Corporation. Some action has since been taken by the Board to follow up the steps it had already begun before the reports were received. In this connection it is felt that the Board should review what already has been done and make sure that every effort has been made to carry out the above recommendations.

Evidence was given of the payment of continuing retaining fees to persons not on the Corporation's staff. Greater care should be exercised in future in the payment of retaining fees and other similar fees to persons not on the Corporation's staff.

The Committee recommends that the Corporation institute a superannuation or pension scheme for its employees on a contributory basis, if possible by making arrangements to come under the Civil Service Superannuation Fund.

Your Committee did not have an opportunity to consider the possibility of further co-ordinating the activities of the Corporation as suggested in the Plaunt and Thompson reports. At present the commercial and public relations departments are located in Toronto. The engineering and French program departments are at Montreal. The General Manager, the Secretary and the Treasurer are in Ottawa. This division must lead to administrative difficulties and unnecessary expense. The Plaunt and Thompson reports recommended that the General Manager, Secretary and Treasurer be transferred either to Toronto or Montreal, leaving a small office in Ottawa. Your Committee recognizes the difficulties involved, particularly in view of the need of close co-operation between the Corporation and government departments interested in broadcasting in wartime. It recommends that the Board continue to consider this question.

The legal status of the Corporation is necessarily unique and shows certain anomalies. We were advised that the Corporation may be sued but may not be taxed like an ordinary person, and that its employees may not organize and bargain collectively. We are of the opinion that the Corporation should be liable to suit in the ordinary courts without the need of any fiat, that it should be exempt from taxation, and that its employees should be in the same position as regards negotiation with the management as are the employees of any corporation, such as, for example, the employees of the C.N.R. The Corporation should be permitted to invest in Dominion Government bonds only. Your Committee recommends that any changes necessary to make these points clear be made in the law.

The establishment of a high power short wave station and service was recommended by the parliamentary committees in 1938 and 1939. The present Committee went into this matter exhaustively and in its second report to the House on July 7, 1942, recommended:—

That a high power short wave station be erected and equipped and service established at the earliest possible moment, to be owned and financed, as to installation, operation and maintenance, by the Government and operated by the Canadian Broadcasting Corporation.

Beyond emphasizing its realization of the urgency of proceeding with this project, the Committee wishes to add now that in the operation of this station, the Corporation would naturally co-operate closely with the various agencies of the Government that might be concerned. In addition to the Bureau of Information, these would include the Department of External Affairs and the

Department of Trade and Commerce. It would probably be found convenient to set up an interdepartmental committee to advise and assist the Corporation with regard to programs to be broadcast by short wave.

In addition to \$279,500 deducted from the gross licence fee receipts and paid to licence vendors as commissions, another amount of approximately \$200,000 is retained out of licence fees by the Department of Transport for administrative expenses. In addition the Department receives an appropriation through Parliament for other services in connection with the administration of the Radio Act. It is recommended that discussions be entered into between the Corporation and the Department to see if the amount retained by the Department out of licence fees could not be reduced so as to make available more money to be used by the Corporation on programs.

The Committee is glad to note the existence of good relations between the Corporation and the privately-owned broadcasting stations. Evidence was given of large contributions by the private stations of free time for purposes of the war. At the present time private stations are serving a useful function. But the financial position of privately-owned broadcasting stations has improved substantially during the last few years and the Corporation should consider if the private stations are increasing their service to the public correspondingly. Your Committee recommends that the Corporation endeavour to work out in co-operation with the private stations means to increase the services of private stations to the national cause as well as to their local communities in providing and distributing programs and developing and making use of local talent.

The principle laid down by previous parliamentary committees that the Corporation should extend its services so as to give a complete national coverage, if necessary by taking over privately-owned stations, should be followed and the Corporation should take over any privately-owned broadcasting stations considered essential for national coverage. The private broadcasting stations have no vested interest in the sound-waves they are allowed to use. The Government and the Corporation should not hesitate to terminate any licence when it is in the public interest to do so. Any increase in power considered necessary and desirable to occupy the channels allowed under the Havana Agreement should be made in stations owned or taken over by the Corporation.

The Corporation is given exclusive control of networks. Despite this, outlets are still allowed for United States chains in Canada through stations CKLW, CFCF, CEAC, CFRB. Your Committee recommends that the Corporation should consider if the continuance of such outlets is in the interest of broadcasting and of the Corporation.

Your Committee further recommends that every effort be made to obviate duplication of broadcasts in the same areas and provide listeners with alternative programs.

At present eight broadcasting stations are owned or controlled by one interest and six by another. Under the existing law and regulations, the Minister (at present the Minister of Munitions and Supply) is given power to license private stations upon the recommendation of the Corporation and a licence may not be transferred without permission of the Minister. To prevent dangerous concentrations of broadcasting stations in private hands, your Committee recommends that the regulations and practice be changed so that:—

- (a) Neither the ownership nor the shares evidencing ownership of a station shall be transferred without the authority of the Minister;
- (b) a station shall be owned and operated by the holder of the licence;
- (c) except in the most unusual circumstances, no one shall hold more than one licence;
- (d) the responsible Minister and the Corporation shall have the power to obtain all information necessary to carry out these provisions and to ensure that private stations are operated for the benefit of the nation

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and of the communities in which they are located. If necessary, the revenues, profits, and expenditures of privately-owned broadcasting stations should be ascertained in order to see whether the licence fees payable by them to the Government are adequate and if the public services rendered by them is commensurate with the direct and indirect profits and advantages enjoyed by them from the right to use a broadcasting channel.

The Session began on January 22. The Committee was appointed on March 13, fifty days later. Another fifty-three days went by before the Committee first met on May 6, 1942. In the time since, it has had the task of reviewing the operations of the Corporation during the three-year period since the last parliamentary committee on broadcasting made its report. The Committee recommends that the affairs of the Corporation and broadcasting be reviewed each year by a standing or special parliamentary committee and that such committee be set up at the beginning of the session.

Evidence was given of the loyalty and devoted services of the staff of the Corporation. Your Committee believes that the staff of the Corporation generally deserves great credit and praise for the work carried on by them in difficult circumstances.

A copy of the evidence taken before the Committee, as well as exhibits filed, are tabled herewith.

All of which is respectfully submitted.

JAMES J. McCANN,
Chairman.

EXHIBITS FILED

1. Large Map showing Network stations.
2. C.B.C. Coverage Book of regional and national networks.
3. Quelques problèmes d'actualité dans le Québec.
4. Les Lettres Canadiennes d'autrefois (S. Marion) Tomes I et II.
5. Regards (Hommage à Louis Francœur) juillet-août, 1941.
6. Manitoba Calling. Volume VI—Nos. 1, 2 and 3.
7. Just Mary.
8. Just Mary Again.
9. C.B.C. Enquiry into Co-operation.
10. These United States by A. L. Phelps.
11. This Canada by A. L. Phelps.
12. Old Country Mail. Selection by R. S. Lambert, 1941.
13. Old Country Mail. Third series by R. S. Lambert.
14. The Canadian Heritage. (Series of Broadcasts.)
15. We have been there—1st and 2nd series (on C.B.C. Network).
16. B.B.C. Handbook—1942.
17. La Radio—a talk by L. Houle.
18. Entre Nous—a talk by Dr. A. Frigon.
19. Radio-Canada—a talk by R. Morin.
20. Aperçu sur Radio-Canada—a talk by Dr. A. Frigon.
21. La Situation ce soir—Nos. 1 to 12 inclusive. (Printed Booklets.)
22. Report on the desirability of establishing a Short Wave Broadcasting Station.
23. Memorandum from RCA Victor Limited to Chief Engineer of C.B.C.
24. Radio Transmission of Path and the Earth's Magnetic Field (Summary).
25. Short Wave Reception in Canada from England.
26. Architect's Plan *re* Transmitter Building at Sackville. (Nov. 24, 1941)
(a correspondence relative to short-wave transmitter).
27. Plan of Staff Councils and Staff Management Conferences.
28. Ici Radio-Canada—Ondes par-ci—Ondes par-la (a Summary of French programs).
29. Outline plan of School Broadcasts. (C.B.C.)
30. E. A. Pickering's resignation and relative correspondence.
31. Copies of vouchers relating to General Manager's duty expenses away from base.
32. Dr. L. P. Roy's News Comments over CBV as referred to by Mr. Harvey.
33. Grammaire et Linguistique de Charles Bruneau.
34. C.B.C. Classification and Salary Ranges.
35. Radio Act and Regulations (1938).
36. Excerpts from scripts of Rev. C. P. Bradley, CFQC, Sask.
37. Proposed broadcast by Sydney Moseley.
38. Petition to Board of Governors from "Astrolite", Toronto.
39. C.B.C. Coverage contour map.
40. C.B.C. Clinique des mots par L. Houle.

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NOTE.—The letters E.F. denote those tabled and distributed in both languages. E. tabled in English, F. in French.

1. Annual Reports of the C.B.C. for the years ending March 31, 1938-39, 1939-40, 1940-41. E.F.
2. C.B.C. By-laws and Regulations with amendments. (1936) E.F.
3. C.B.C. World War Map. E.F.
4. C.B.C. War Game. E.F.
5. Beams chart. E.
6. Programme Radio-Collège. (1941-42-43) F.
7. Pattern for Agricultural Broadcasting in Canada. E.
8. C.B.C. French Network War Effort. E.F.
9. Organization Charts as of December 1, 1941. E.
10. Miniature map showing C.B.C. Network Stations. E.
11. C.B.C. Programs Schedules for weeks of April 19, May 31, and June 7, 1942. E.
12. Herb chart. E.
13. Town Meeting of the Air (May 11, 1942) E.
14. Statement of Policy on Controversial Broadcasting (White Pamphlet) E.
15. Radio in War Time. (University of Chicago Round Table) E.
16. C.B.C. Handbook for Announcers. E.
17. C.B.C. Five Years of Achievement, inclusive of the French publication of the French Network.
18. C.B.C. Sustaining Programs Statistics to March 31, 1942. E.
19. C.B.C. Tariff Card. E.F.
20. CBM Tariff Card. F.
21. CBF Tariff Card. F.
22. CBV Tariff Card. F.
23. CBJ Tariff Card. F.
24. C.B.C. Procedure for Handling Food and Drugs. E.F.
25. An Account of Stewardship (C.B.C.) by L. W. Brockington. E.
26. Canada at War (Talks by George McCullagh). E.
27. Alan B. Plaunt's Report. E.
28. Thompson's Report. E.
29. Le Canada parle à la France (Published by La France Libre) F.
30. If I Ran the B.B.C., by J. B. Priestly (July 24, 1938) E.
31. C.B.C. Use of Broadcasts from the School of the Air of the Americas (1941-42). E.
32. C.B.C. Neighbourly News from the Ontario Weeklies, Talk by Andy Clark (May 8, 1942). E.
33. Brief of the Canadian Association of Broadcasters to the Board of Governors (April, 1942). E.
34. Personnel of the C.B.C. Board of Governors. E.
35. List of Important C.B.C. Talks—Sept. 1-Dec. 31, 1939. E.
36. Résumé of the functions of the Radio Division—Department of Transport. E.
37. In Radio-Canada, by Hans Valdin (Saturday Night—April 8, 1939). E.
38. C.B.C. Chart of Responsibilities and Organization (Program-Engineering and Skeleton). E.

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